

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

| | | | |
|--|---|--|---------------------------|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | 5. MINERAL LEASE NO: Fee | 6. SURFACE: Fee |
| | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| 2. NAME OF OPERATOR: Slate River Resources, LLC | | 8. UNIT or CA AGREEMENT NAME: | |
| 3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078 | | 9. WELL NAME and NUMBER: Mustang 1320-30 | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 834' FSL & 2073' FEL 614678x 39.710532 AT PROPOSED PRODUCING ZONE: same as above 4396276y -109.642223 | | 10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat | |
| 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E | | 12. COUNTY: Uintah | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 72.6 miles south of Vernal, UT. | | 13. STATE: UTAH | |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 834' | 16. NUMBER OF ACRES IN LEASE: 641.8 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,300' | 19. PROPOSED DEPTH: 8,000 | 20. BOND DESCRIPTION: B-001556 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,153' GR | 22. APPROXIMATE DATE WORK WILL START: 12/1/2005 | 23. ESTIMATED DURATION: 30 Days | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
|--------------|---|---------------|---|---------|-------------------|
| 12 1/4 | 9 5/8 H-40 32# | 2,000 | CEMENT "V" | 180 SKS | 3.82 CF 15.8 PPG |
| | | | CEMENT "G" | 225 SKS | 1.15 CF 15.8 PPG |
| 7 7/8 | 4 1/2 M-80 11.6# | 8,000 | PREMIUM CEMENT | 140 SKS | 3.82 CF 11.0 PPG |
| | | | CLASS "G" | 580 SKS | 1.26 CF 14.15 PPG |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |
|--|---|

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent
 SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047.37294

APPROVAL:

RECEIVED

OCT 20 2005

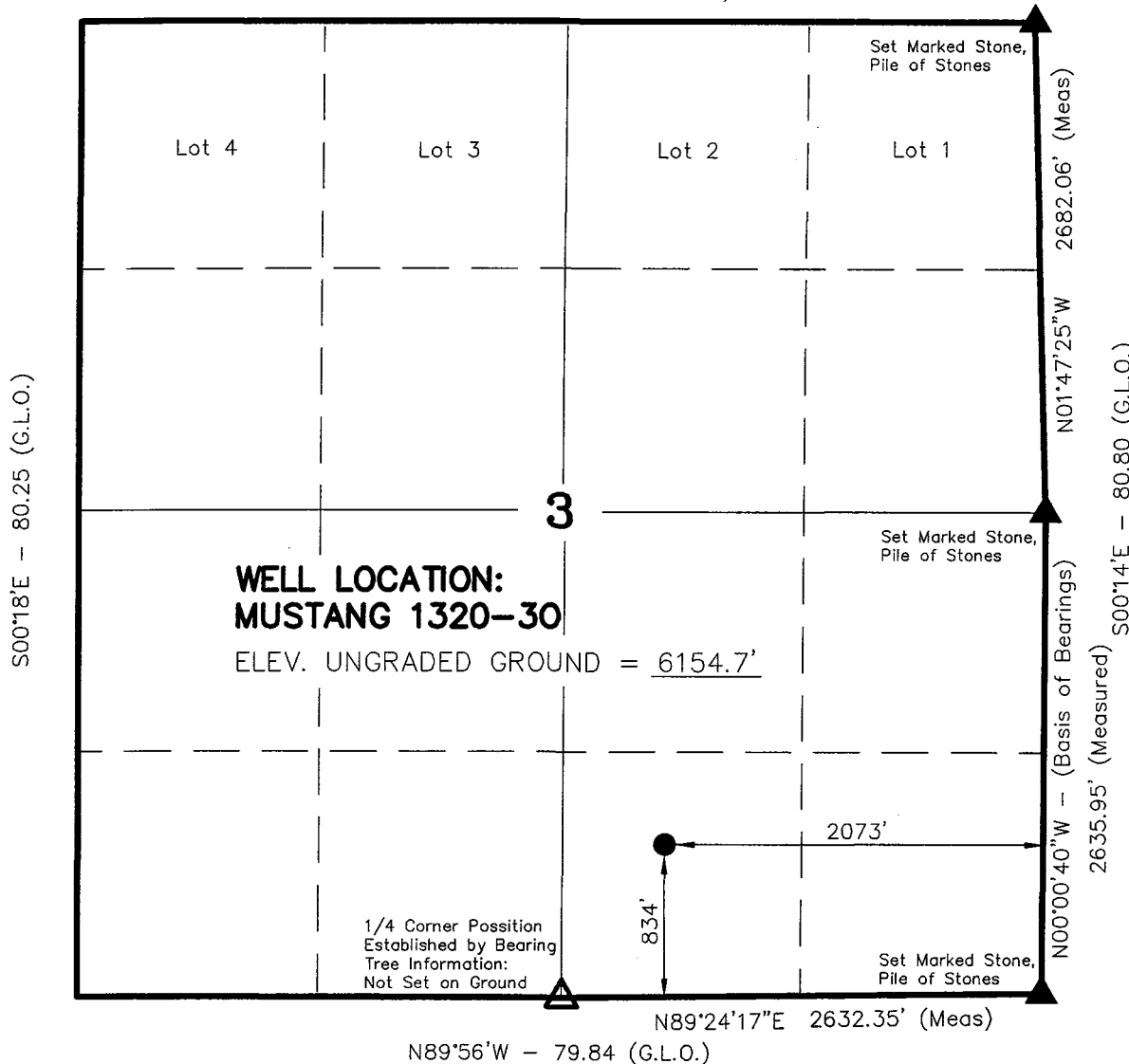
OIL, GAS & MINING

T13S, R20E, S.L.B.&M.

S89°58'W (G.L.O.)

SLATE RIVER RESOURCES, LLC

WELL LOCATION, MUSTANG 1320-30,
LOCATED AS SHOWN IN THE SW 1/4
SE 1/4 OF SECTION 3, T13S, R20E,
S.L.B.&M. UTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE.

RECORDED
KOLBY R. KAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

▲ = SECTION CORNERS LOCATED

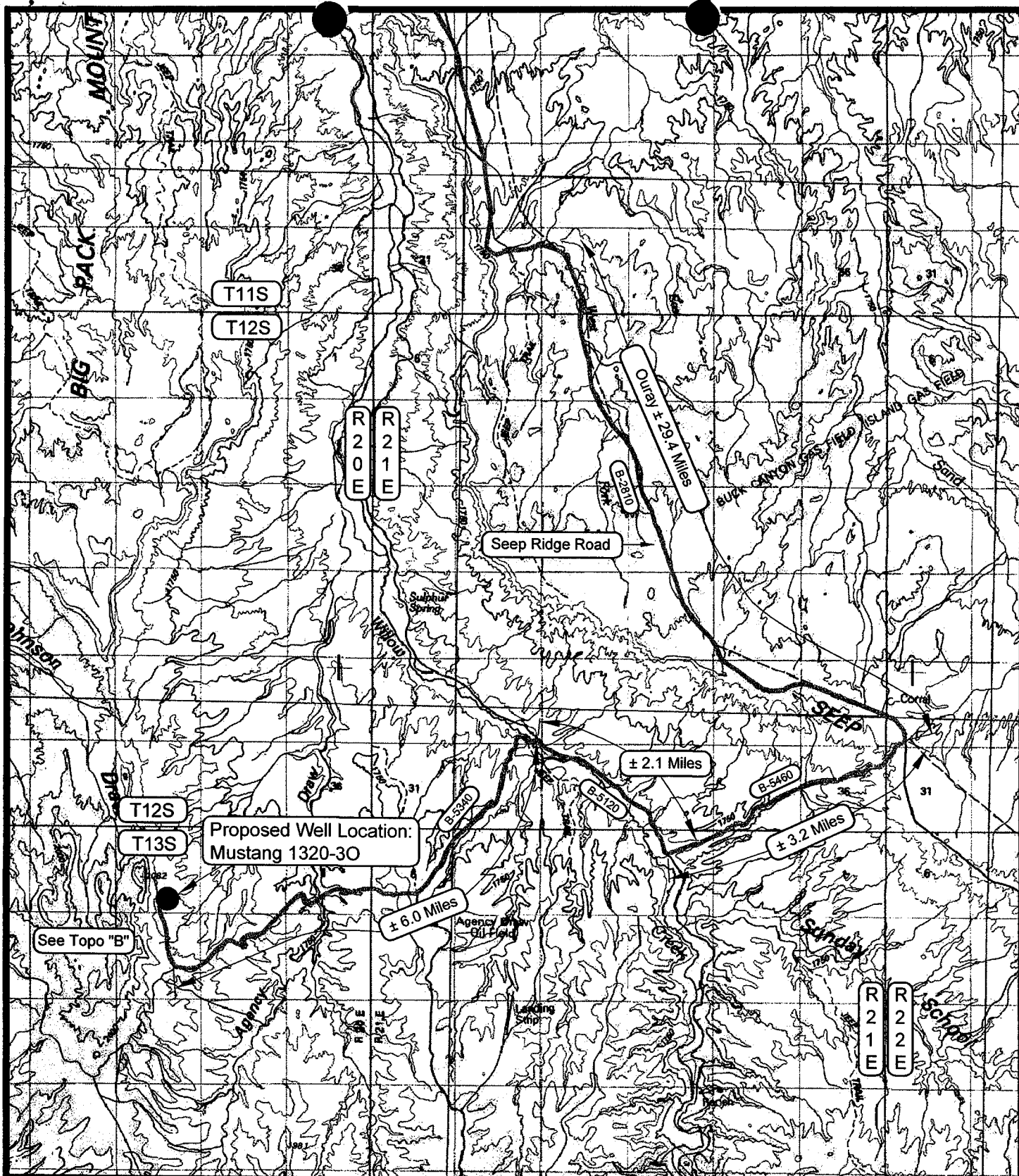
BASIS OF ELEVATION IS BENCH MARK 66 WF 1952
LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E,
S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS
MARKED ON THE AGENCY DRAW NE 7.5 MIN.
QUADRANGLE AS BEING 5812'.

MUSTANG 1320-30
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 42' 37.7"
LONGITUDE = 109° 39' 46.4"

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

| | | |
|---------------------------|---------------------|---------------------|
| DATE SURVEYED: 9-16-05 | SURVEYED BY: K.R.K. | SHEET 2 OF 10 |
| DATE DRAWN: 9-26-05 | DRAWN BY: C.B.T. | |
| SCALE: 1" = 1000' | Date Last Revised: | |



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = PROPOSED ACCESS ROAD
- (B-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: C.B.T.

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-28-05

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 10

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

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| 3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078 | | | PHONE NUMBER: (435) 781-1871 | 10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat | |
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CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent
 SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047.37294

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 11-21-05

By: *[Signature]*

(See Instructions on Reverse Side)

RECEIVED
OCT 20 2005

OIL, GAS & MINING

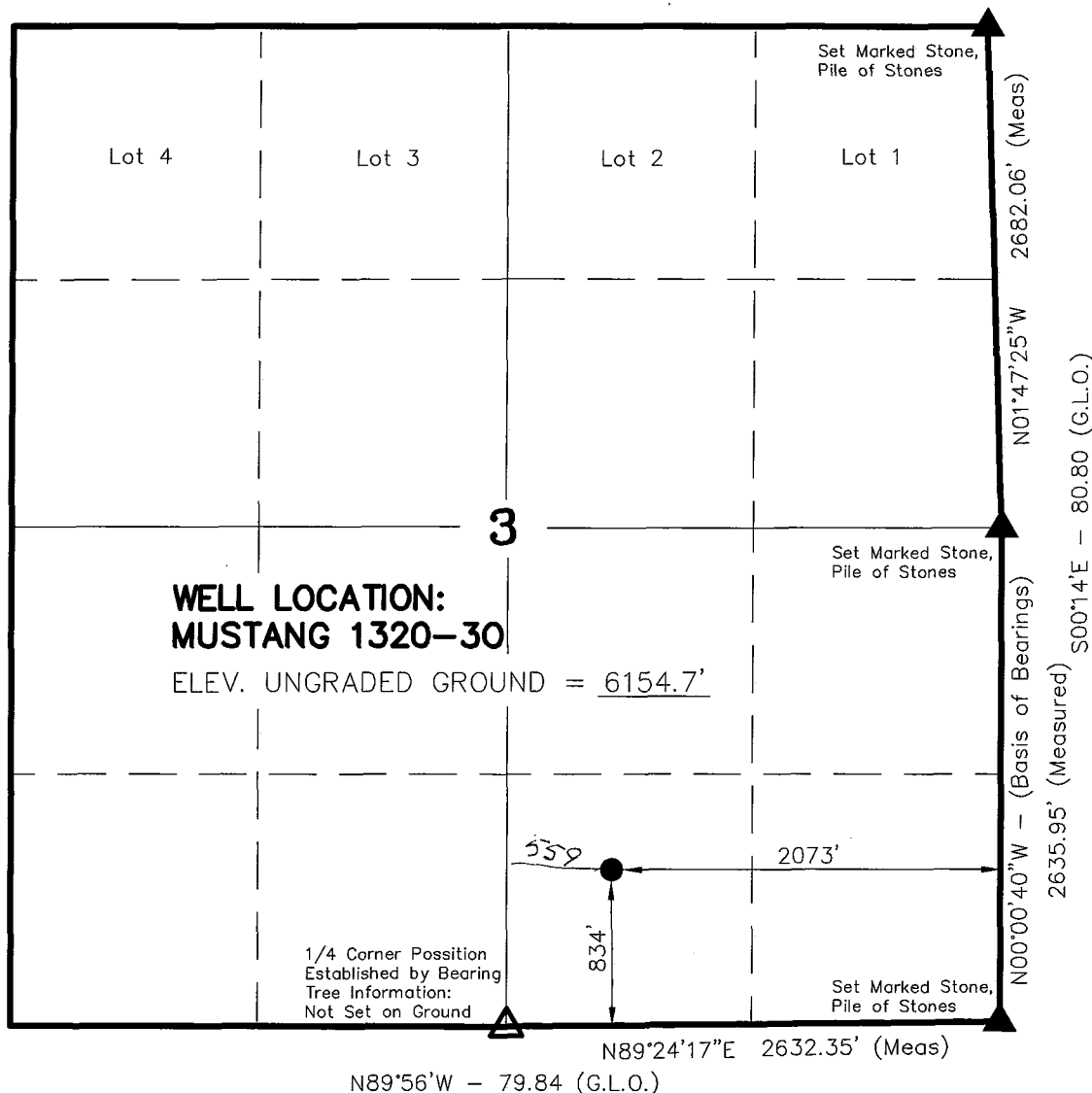
T13S, R20E, S.L.B.&M.

S89°58'W (G.L.O.)

SLATE RIVER RESOURCES, LLC

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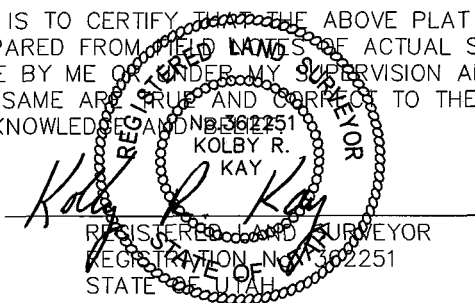
S00°18'E - 80.25 (G.L.O.)



NOTES:

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2. Bearings are based on Global Positioning Satellite observations.

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TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

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| DATE DRAWN: 9-26-05 | DRAWN BY: C.B.T. | |
| SCALE: 1" = 1000' | Date Last Revised: | |

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MUSTANG 1320-30
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 42' 37.7"
LONGITUDE = 109° 39' 46.4"

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Fee Leases, see attached

LEASE NUMBER: Fee, no numbers assigned

and hereby designates

NAME: Ginger Stringham, Paradigm Consulting Inc.

ADDRESS: PO Box 790203

city Vernal state UT zip 84078

as his (check one) agent ☒ / operator ☐, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

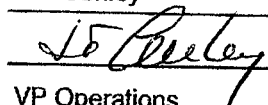
Fee leases, see attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 03/01/2005

BY: (Name) J.T. Conley
(Signature) 
(Title) VP Operations
(Phone) (435) 781-1871

OF: (Company) Slate River Resources, LLC
(Address) 418 East Main
city Vernal
state UT zip 84078

UT10001.000

Eagle Minerals Ltd. Oil and Gas Lease

Dated February 1, 2005

Recorded Book 914, Page 535 Uintah County, Utah

DESCRIPTION OF LEASED PREMISES:

TOWNSHIP 12 SOUTH, RANGE 20 EAST, S.L.M.

| | | |
|-------------|--------------------|----------------------------|
| Section 21: | All (640.00 acres) | Serial Number: 10:079:0001 |
| Section 22: | All (640.00 acres) | Serial Number: 10:080:0001 |
| Section 23: | All (640.00 acres) | Serial Number: 10:081:0001 |
| Section 24: | W/2 (320.00 acres) | Serial Number: 10:082:0001 |
| Section 25: | W/2 (320.00 acres) | Serial Number: 10:083:0001 |
| Section 26: | All (640.00 acres) | Serial Number: 10:084:0001 |
| Section 27: | All (640.00 acres) | Serial Number: 10:085:0001 |
| Section 28: | All (640.00 acres) | Serial Number: 10:086:0001 |
| Section 29: | All (640.00 acres) | Serial Number: 10:087:0001 |
| Section 35: | All (640.00 acres) | Serial Number: 10:089:0001 |

TOWNSHIP 12 SOUTH, RANGE 21 EAST, S.L.M.

| | | |
|-------------|--|----------------------------|
| Section 31: | Lots 3, 4, E/2SW/4 (SW/4) (149.66 acres) | Serial Number: 10:093:0002 |
|-------------|--|----------------------------|

TOWNSHIP 13 SOUTH, RANGE 20 EAST, S.L.M.

| | | |
|-------------|---|----------------------------|
| Section 1: | Lots 1,2,3,4, S/2N/2, S/2 (All) (640.24 acres) | Serial Number: 11:004:0001 |
| Section 3: | Lots 1,2,3,4, S/2N/2, S/2 (All) (641.80 acres) | Serial Number: 11:005:0001 |
| Section 4: | Lots 1,2,3,4, S/2N/2, S/2 (All) (642.00 acres) | Serial Number: 11:006:0001 |
| Section 5: | Lots 1,2,3,4, S/2N/2, S/2 (All) (641.40 acres) | Serial Number: 11:007:0001 |
| Section 6: | Lots 1,2,3,8,10,11,13, S/2 NE/4, SE/4NW/4, E/2SW/4, SE/4 (585.52 acres) | Serial Number: 11:008:0001 |
| Section 7: | Lots 2,3,4,5, E/2W/2, E/2 (All) (636.15 acres) | Serial Number: 11:009:0001 |
| Section 8: | All (640 acres) | Serial Number: 11:010:0001 |
| Section 9: | All (640 acres) | Serial Number: 11:011:0001 |
| Section 10: | All (640 acres) | Serial Number: 11:012:0001 |
| Section 11: | All (640 acres) | Serial Number: 11:013:0001 |
| Section 12: | All (640 acres) | Serial Number: 11:014:0001 |
| Section 13: | All (640 acres) | Serial Number: 11:015:0001 |
| Section 14: | All (640 acres) | Serial Number: 11:016:0001 |
| Section 15: | E/2 (320 acres) | Serial Number: 11:017:0001 |
| Section 22: | E/2 (320 acres) | Serial Number: 11:018:0001 |
| Section 23: | All (640 acres) | Serial Number: 11:019:0001 |
| Section 24: | All (640 acres) | Serial Number: 11:020:0001 |
| Section 25: | All (640 acres) | Serial Number: 11:021:0001 |
| Section 26: | All (640 acres) | Serial Number: 11:022:0001 |
| Section 27: | NE/4 (160 acres) | Serial Number: 11:023:0001 |

TOWNSHIP 13 SOUTH, RANGE 21 EAST, S.L.M.

| | | |
|-------------|--|----------------------------|
| Section 6: | Lots 3,4,5,6,7, SE/4NW/4, E/2SW/4 (W/2) (299.60 acres) | Serial Number: 11:026:0002 |
| Section 7: | Lots 1,2,3,4, E/2W/2 (W/2) (300.28 acres) | Serial Number: 11:027:0002 |
| Section 18: | Lots 1,2,3,4, E/2W/2 (W/2) (301.64 acres) | Serial Number: 11:033:0001 |
| Section 19: | Lots 1,2,3,4, E/2W/2 (W/2) (303.44 acres) | Serial Number: 11:034:0001 |
| Section 30: | Lots 1,2,3,4, E/2W/2 (W/2) (304.80 acres) | Serial Number: 11:038:0001 |
| Section 31: | Lots 1,2, E/2NW/4 (NW/4) (153.27 acres) | Serial Number: 11:039:0001 |

UINTAH COUNTY, UTAH

containing a total of 19,199.80 acres, more or less

UT10002.000

Uintah Oil Association Oil & Gas Lease

Dated September 15, 2004

Recorded Book 904, Page 1 Uintah County, Utah

Description of Leased Premises

Township 12 South, Range 21 East

Sec 31: SE/4

Sec 32: S/2

Township 13 South, Range 21 East

Sec 5: Lots 2,3,4, S/2NW/4, SW/4NE/4, SW/4, W/2SE/4

Sec 6: Lots 1,2, S/2NE/4, SE/4

Sec 7: E/2

Sec 8: W/2, W/2NE/4, NW/4SE/4

Uintah County, Utah

2,038.96 acres

UT10003.000

Utah Oil Shales, Inc. Oil & Gas Lease

Dated September 15, 2004

Recorded Book 904, Page 9 Uintah County, Utah

Description of Leased Premises

Township 13 South, Range 21 East

Sec 4: Lots 1,2,3,4, S/2N/2, S/2

Sec 5: Lot 1, SE/4NE/4, E/2SE/4

Sec 8: E/2E/2, SW/4SE/4

Sec 9: All

Sec 16: W/2

Sec 17: E/2

Uintah County, Utah

2,278.69 acres

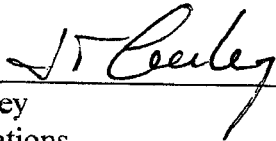
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

Slate River Resources, LLC has in place, agreements with the surface owners of the following leases. Slate River Resources, LLC is the operator and makes this certification that the agreements provide for management of the Fee surface lands under development.

Eagle Minerals Ltd. Oil and Gas Lease

Uintah Oil Association Oil & Gas Lease

Utah Oil Shales, Inc. Oil & Gas Lease



J.T. Conley
VP Operations
Slate River Resources, LLC
418 East Main
Vernal, UT 84078
435-781-1871

Ten Point Plan

Slate River Resources, LLC

Mustang 1320-30

Section 3, Township 13 South, Range 20 East, SW¼ SE¼

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|------------------|--------------|--------------|
| Green River | Surface | 6,153' G.R. |
| Wasatch | 2370' | 3,783' |
| Mesaverde | 4870' | 1,283' |
| Castlegate | 6850' | -697' |
| Mancos | 7500' | -1,347' |
| TD | 8000' | -1,847' |

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information (Wells within a one-mile radius)

Drilling/Permitted:

Mustang 1320-101

Abandon Well:

Agency Draw 16-3

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 12 ¼ | 9 5/8 | 32# | H-40 | ST&C | 2000 | NEW |
| 7 7/8 | 4 ½ | 11.6# | M-80 | LT&C | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|--------------------|---|-----------------------|---------------------|----------------------|
| Lead: | 9 5/8 | Cement "V" Gel 16% BWOC Gilsonite 10#/sk Salt 3% BWOC GR-3 3#/sk Flocele ¼#/sk | 180 sks +/- | 3.82 ft³/sk | 15.8 ppg |
| Tail: | 9 5/8 | Cement "G" Calcium Chloride 2% BWOC Flocele ¼ #/sk 0.1% R-3 2% Bentonite | 225 sks. +/- | 1.15 ft³/sk | 15.8 ppg |
| Top Out: | 9 5/8 | Cement "G" Calcium Chloride 3%BWOC Flocele ¼ #/sk | 100 sks +/- | 1.15 ft³/sk | 15.8 ppg |

Production casing will be cemented to 2,000' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|-------|------------------------|--|---------------------------|-------------------------|--------------------------|
| Lead: | | | | | |
| | 4 1/2 | Premium Cement 100% Gel 16% BWOC Salt 3% BWOC Gilsonite 10#/sk Flocele 1/4 #/sk GR-3 3#/sk | 140 sks +/- | 3.82ft ³ /sk | 11.0 ppg |
| Tail: | | | | | |
| | 4 1/2 | Class "G" 50% POZ 50% Gel 2% BWOC Salt 10%BWOC Dispersant .2% BWOC Fluid loss .3% Flocele 1/4 #/sk | 580 sks +/- | 1.26ft ³ /sk | 14.15 ppg |

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3600 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Mist | ----- | No Control | Air/Air mist |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 25' from 2000' to T.D.
- d) Logging:

| Type | Interval |
|----------------------|-------------------|
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

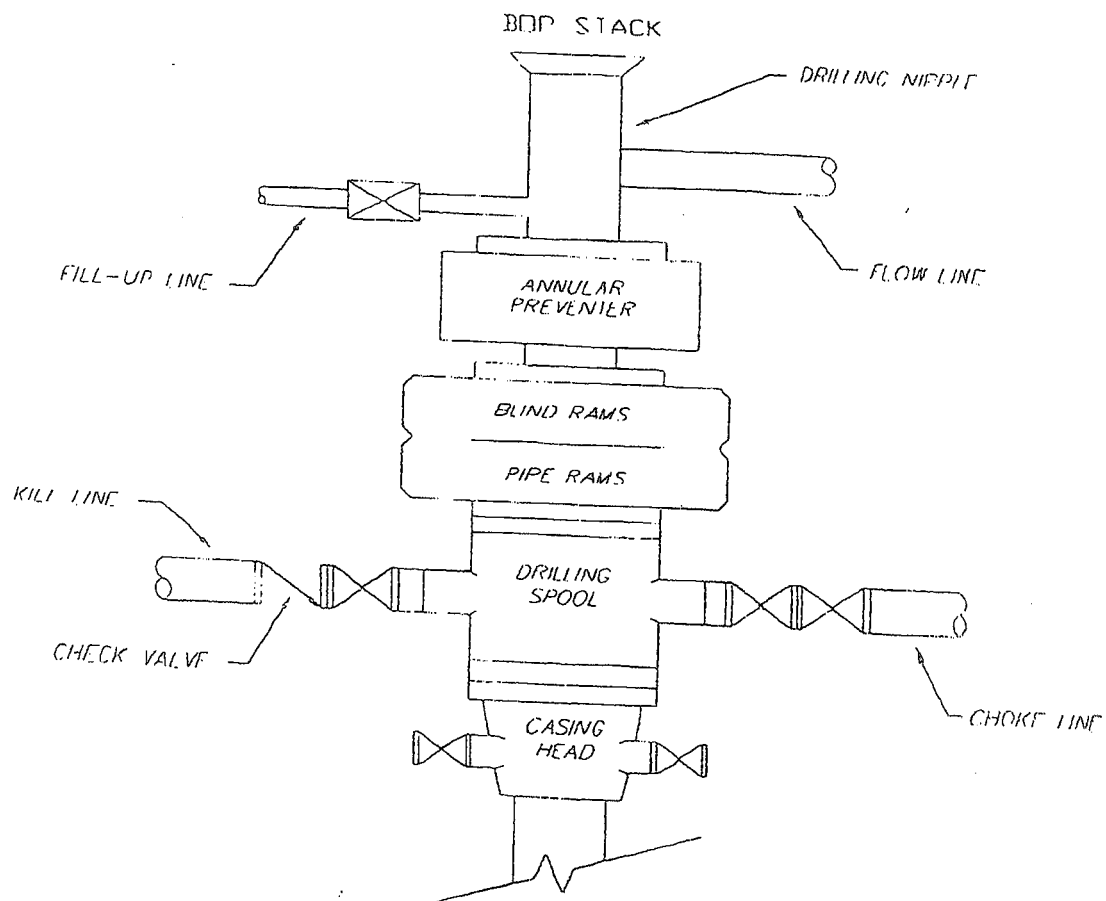
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

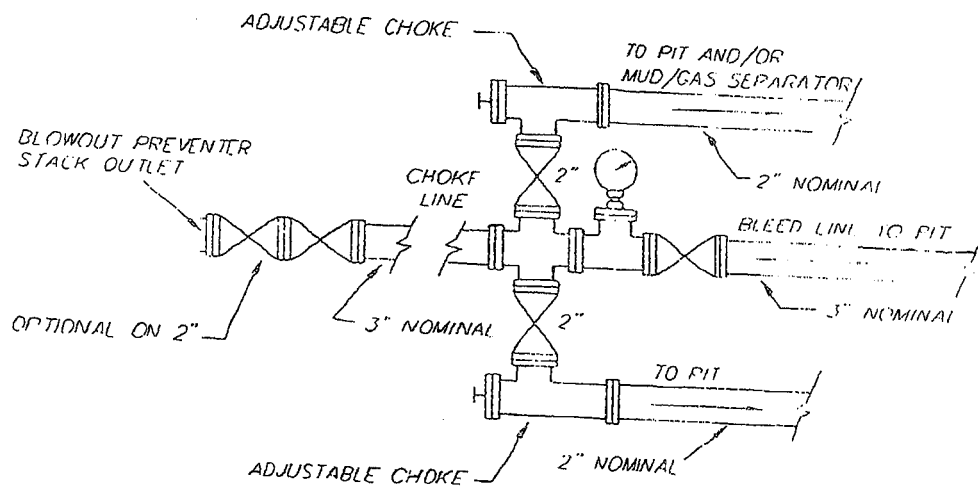
10. Drilling Schedule:

The anticipated starting date is December 1, 2005. Duration of operations is expected to be 30 days.

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKER MANIFOLD SCHEMATIC



SLATE RIVER RESOURCES, LLC

13 POINT SURFACE USE PLAN

FOR WELL

MUSTANG 1320-30

LOCATED IN SW ¼ SE ¼

SECTION 3, T.13S, R20E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: FEE

SURFACE OWNERSHIP: FEE

1. Existing Roads:

SLATE RIVER RESOURCES, LLC
Mustang 1320-30
Section 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHWESTERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 6.0 MILES TO ITS INTERSECTION WITH THE GREENS DRAW ROAD (COUNTY B ROAD 5430); EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE GREENS DRAW ROAD APPROXIMATELY 0.8 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 290 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 72.6 MILES.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 290' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

| | |
|----------------------------------|-------------|
| A) Approximate length | 290 ft |
| B) Right-of-Way width | 30 ft |
| C) Running surface | 18 ft |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | Fee |
| L) All new construction on lease | Yes |
| M) Pipe line crossing | No |

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

| | |
|-----------------------------------|------|
| A) Producing well | None |
| B) Water well | None |
| C) Abandoned well | |
| Agency Draw 16-3 | |
| D) Temp. abandoned well | None |
| E) Disposal well | None |
| F) Drilling /Permitted well | |
| Mustang 1320-10I | |
| G) Shut in wells | None |
| H) Injection well | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon or Olive Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the

battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 4,490' +/- of 3" steel surface pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 10, T13S, R20E. The line will be strung and boomed to the south of the location and will follow access roads. The line will be buried at road crossing.

An off lease Right-of-Way will not be required.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will

be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from Willow Creek Permit # - T75377.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **10 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details. The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 120 days after initial production. During the 120-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

| | |
|--------------------------------|----------------------|
| A) Pad length | 340 ft |
| B) Pad width | 270ft |
| C) Pit depth | 10 ft |
| D) Pit length | 160 ft |
| E) Pit width | 80 ft |
| F) Max cut | 26.4 ft |
| G) Max fill | 22.7 ft |
| H) Total cut yds. | 15,600 cu yds |
| I) Pit location | West end |
| J) Top soil location | East end |
| K) Access road location | South end |
| L) Flare Pit | corner C |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,490** cubic yards of material. Topsoil will be stockpiled in one distinct pile.

Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored

to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 120 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

To be determined by surface owner or will reflect the native vegetation.

11. Surface ownership:

| | |
|--------------------|------------|
| Access road | Fee |
| Location | Fee |
| Pipe line | Fee |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface owner.

D) Water:

The nearest water is Willow Creek located approximately 5.5 miles to the East.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative(s)

JT Conley
Slate River Resources, LLC
418 East Main ST
Vernal, UT 84078

Office 435-781-1871
Fax 435-781-1875

Ginger P Stringham, Agent
Paradigm Consulting, INC
PO BOX 790203
Vernal, UT 84079

Office 435-789-4162
Cell 435-790-4163

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Slate River Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 10-17-05


Ginger P Stringham, Agent
Paradigm Consulting, INC

Onsite Dates:

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Ginger Stringham
Agent for Slate River Resources, LLC
Paradigm Consulting, INC
PO BOX 790203
Vernal, UT 84079

435-790-4163 Office
435-789-0255 Fax

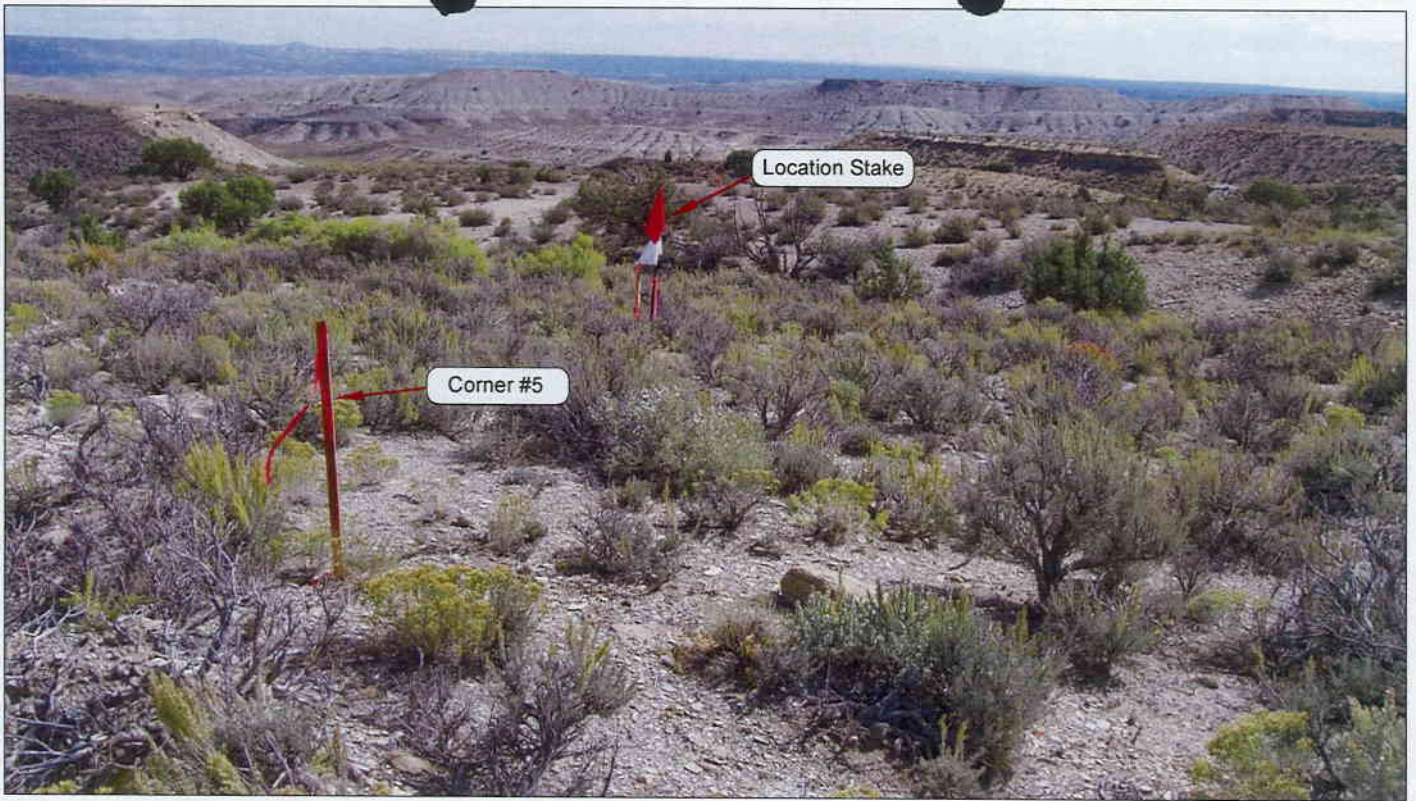


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

LOCATION PHOTOS

TAKEN BY: B.J.S.

DRAWN BY: C.B.T.

DATE TAKEN: 9-16-05

DATE DRAWN: 9-28-05

REVISED:

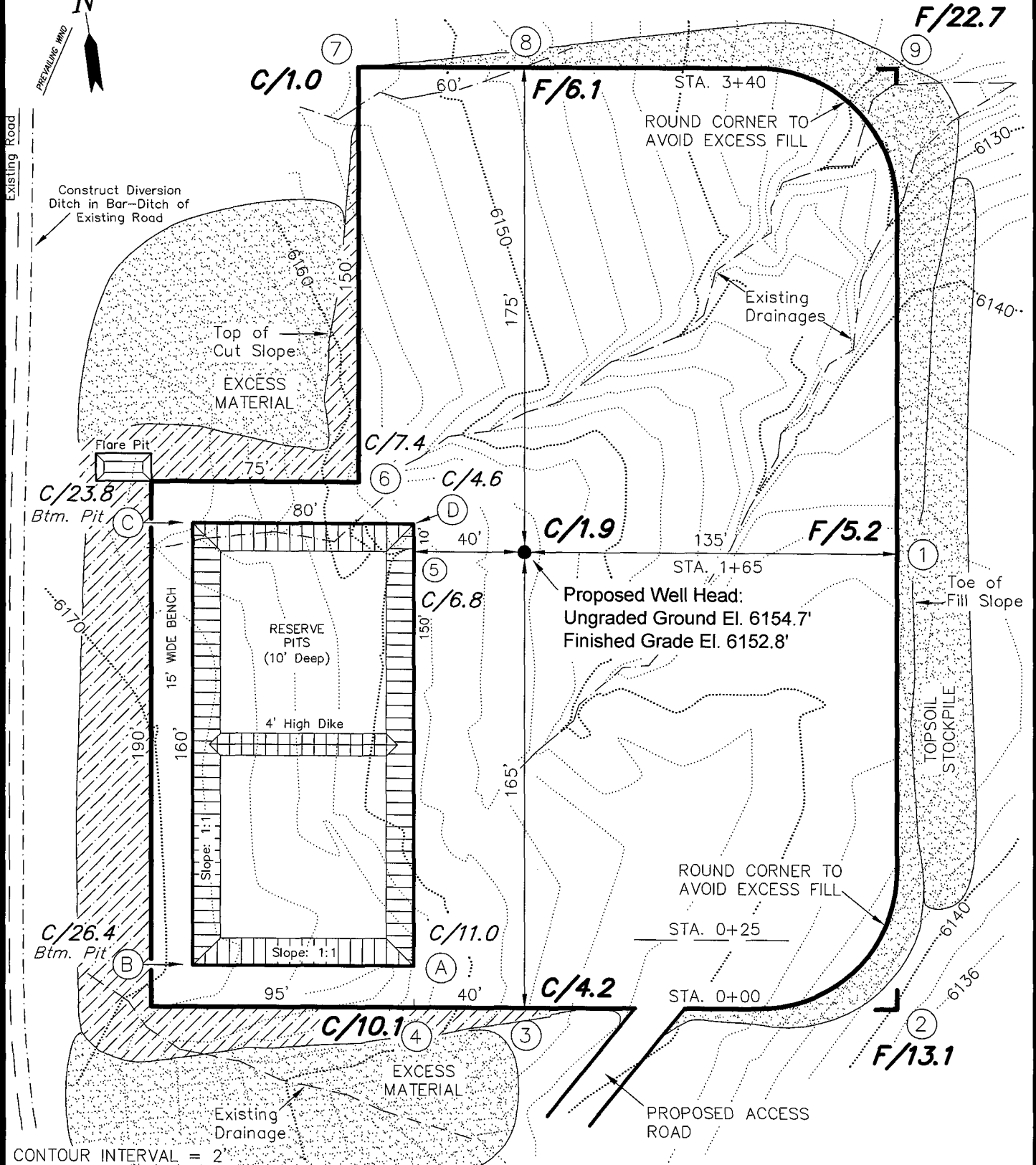
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
OF 10

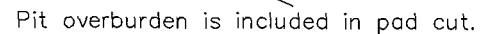
SLATE RIVER RESOURCES, LLC

CUT SHEET MUSTANG 1320-30



| | | | |
|---|---------------------|-------------------------|--|
| Section 3, T13S, R20E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 834' FSL 2073' FEL |
| Date Surveyed: 9-16-05 | Date Drawn: 9-26-05 | Date Last Revision: | |
| Surveyed By: B.J.S. | Drawn By: C.B.T. | Scale: 1" = 50' | |
| Timberline Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 | | | (435) 789-1365 SHEET 3 OF 10 |

CROSS SECTIONS MUSTANG 1320-30



ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
|--------|--------|--------|--|--------|
| PAD | 11,750 | 13,670 | Topsoil is not included in Pad Cut | -1,920 |
| PIT | 3,850 | 0 | | 3,850 |
| TOTALS | 15,600 | 13,670 | 1,490 | 1,930 |

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

NOTE:
UNLESS OTHERWISE NOTED
CUT SLOPES ARE AT 1:1
FILL SLOPES ARE AT 1.5:1

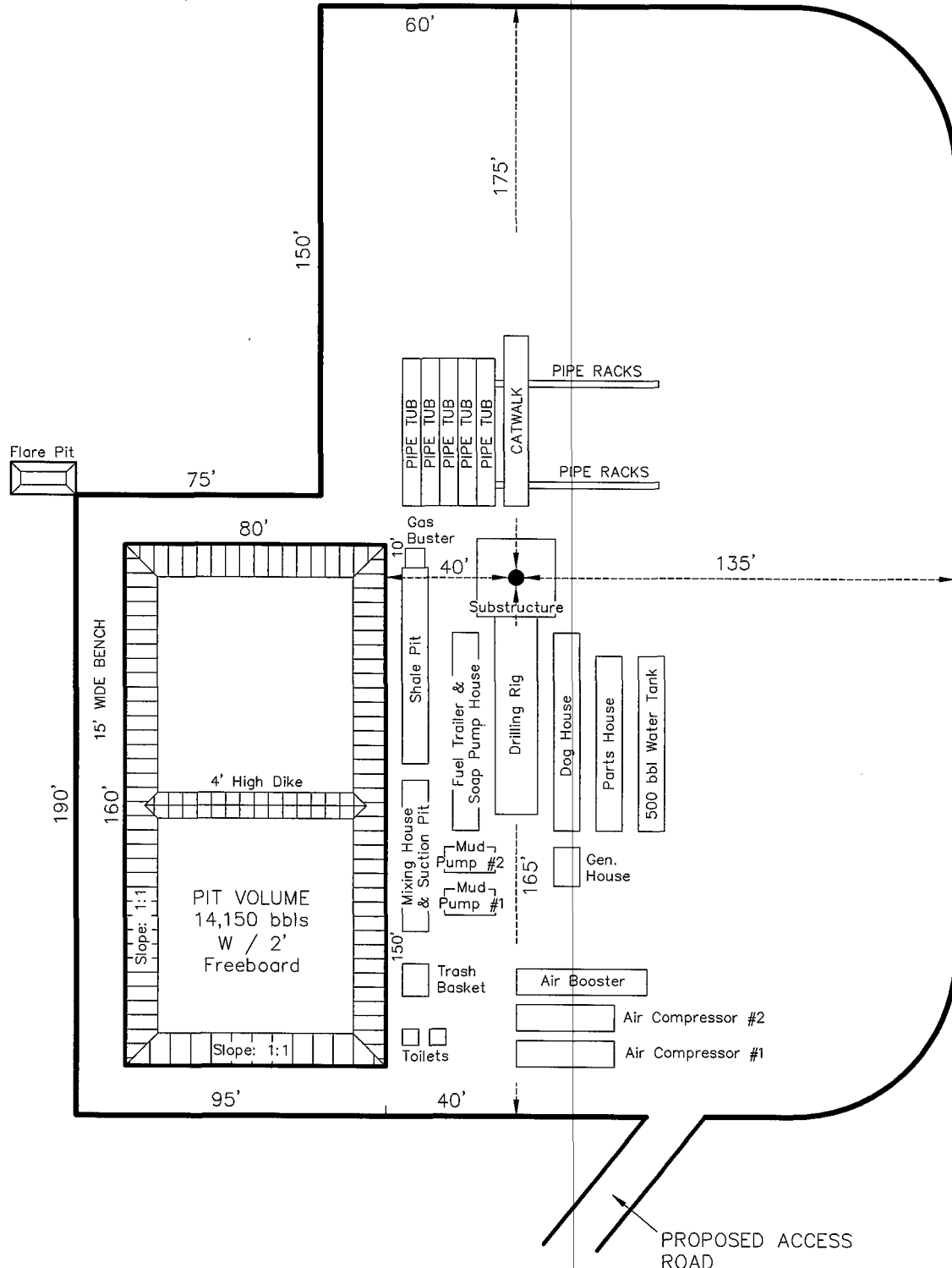
REFERENCE POINTS

| | | |
|------|-----------|---------|
| 185' | Easterly | 6143.3' |
| 235' | Easterly | 6141.1' |
| 215' | Southerly | 6153.0' |
| 265' | Southerly | 6153.0' |

| | | | | |
|----------------------------------|------------------------|-------------------------|---|----------------------------|
| Section 3, T13S, R20E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 834' FSL 2073' FEL | |
| Date Surveyed: 9-16-05 | Date Drawn: 9-26-05 | Date Last Revision: | Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078 | SHEET 4 OF 10 |
| Surveyed By: B.J.S. | Drawn By: C.B.T. | Scale: 1" = 50' | | |

SLATE RIVER RESOURCES, LLC

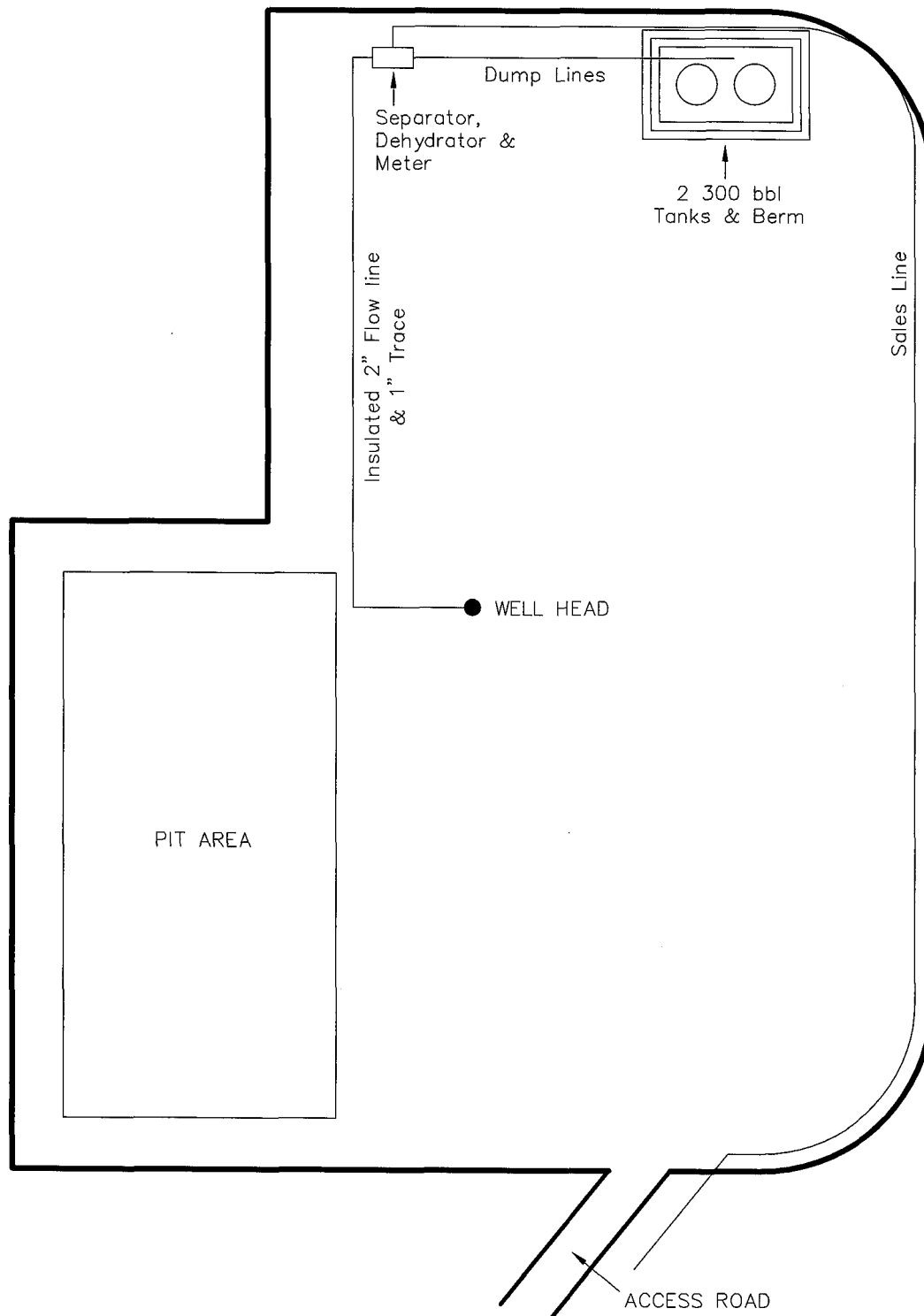
TYPICAL RIG LAYOUT MUSTANG 1320-30



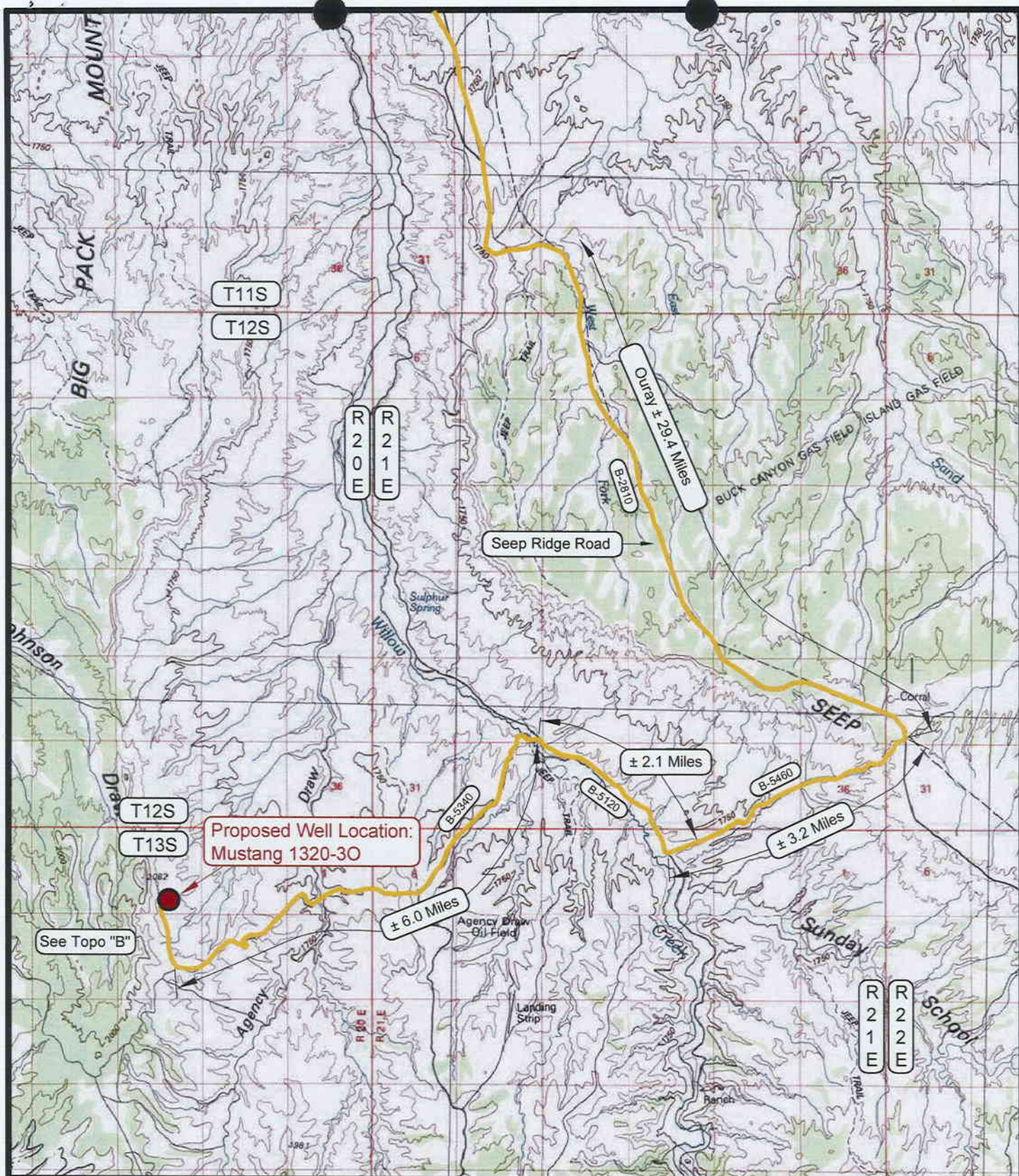
| | | | |
|--------------------------------------|---------------------|-------------------------|--------------------------------------|
| Section 3, T13S, R20E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 834' FSL 2073' FEL |
| Date Surveyed: 9-16-05 | Date Drawn: 9-26-05 | Date Last Revision: | Timberline (435) 789-1365 |
| Surveyed By: B.J.S. | Drawn By: C.B.T. | Scale: 1" = 50' | Land Surveying, Inc. |
| 38 WEST 100 NORTH VERNAL, UTAH 84078 | | | SHEET 5 OF 10 |

SLATE RIVER RESOURCES, LLC

TYPICAL PRODUCTION LAYOUT MUSTANG 1320-30



| | | | |
|--------------------------------------|------------------------|-------------------------|--------------------------------------|
| Section 3, T13S, R20E, S.L.B.&M. | | Qtr/Qtr Location: SW SE | Footage Location: 834' FSL 2073' FEL |
| Date Surveyed: 9-16-05 | Date Drawn: 9-26-05 | Date Last Revision: | Timberline (435) 789-1365 |
| Surveyed By: B.J.S. | Drawn By: C.B.T. | Scale: 1" = 50' | Land Surveying, Inc. |
| 38 WEST 100 NORTH VERNAL, UTAH 84078 | | | SHEET 6 OF 10 |



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: C.B.T.

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-28-05

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 10



LEGEND

- PROPOSED ACCESS ROAD
 ■■■■■ = SUBJECT WELL
 ■■■■■ = SHARED ACCESS
 — = EXISTING ROAD
 — = EXISTING ROAD (TO BE IMPROVED)
 (B-5460) = COUNTY ROAD CLASS & NUMBER
 — = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: C.B.T.

DATE SURVEYED: 09-16-05

DATE DRAWN: 09-26-05

REVISED:

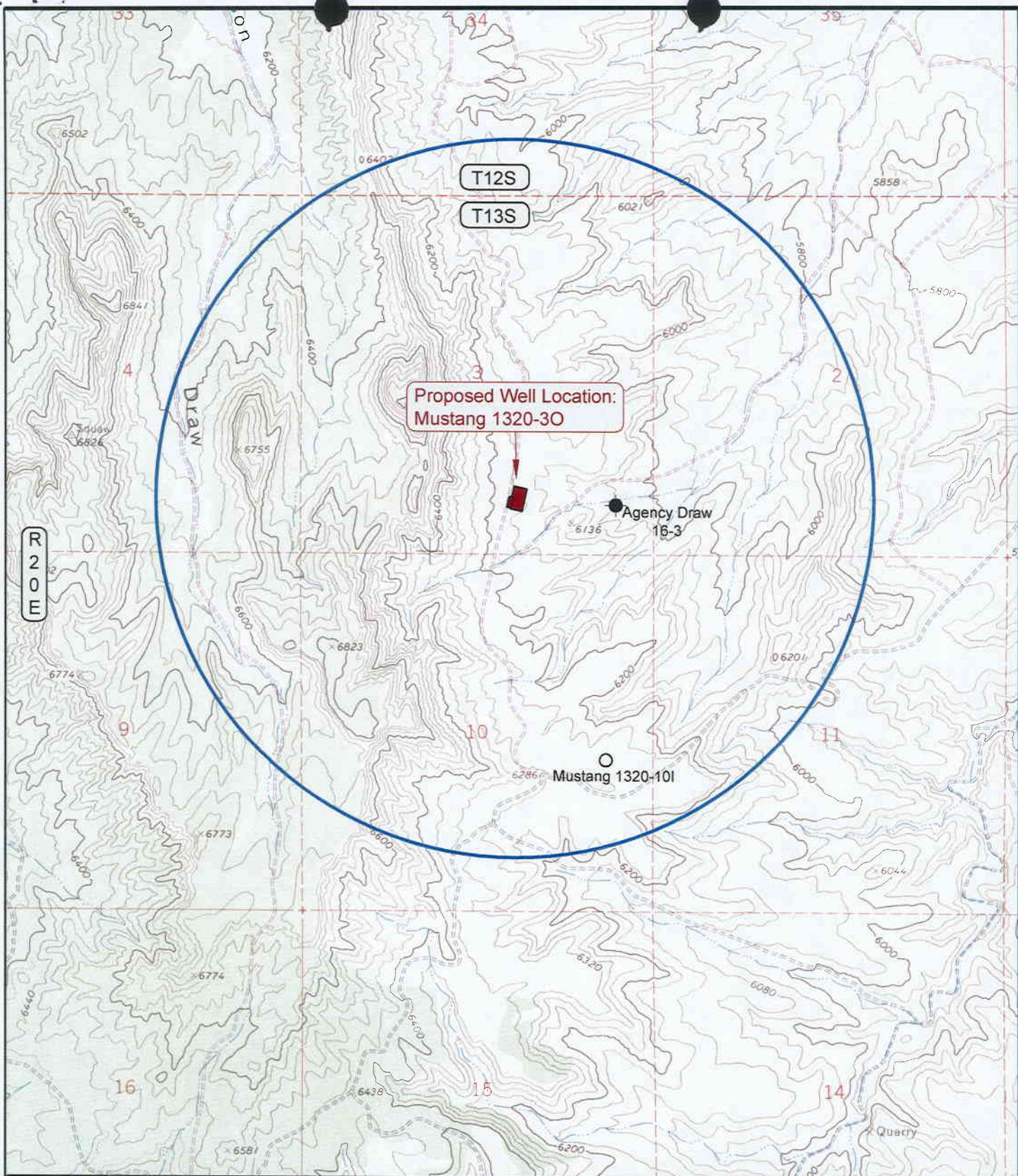
SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
 OF 10



LEGEND

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-28-05

SCALE: 1" = 2000'

DRAWN BY: C.B.T.

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

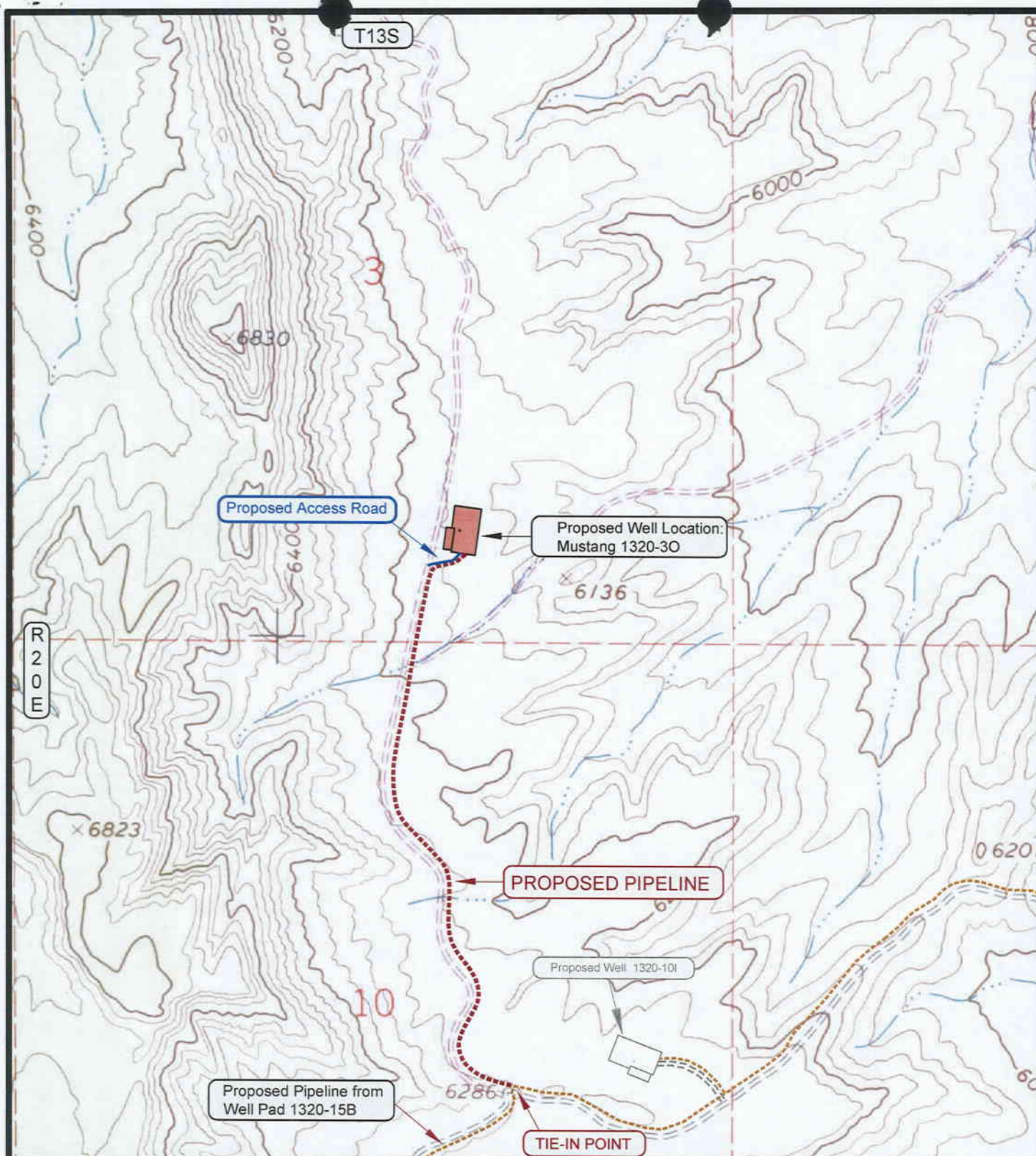
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET

9

OF 10



APPROXIMATE PIPELINE LENGTH = 4,490'

LEGEND

- = EXISTING PIPELINE
- = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-28-05

SCALE: 1"=1000'

DRAWN BY: C.B.T.

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-30
SECTION 3, T13S, R20E, S.L.B.&M.
834' FSL & 2073' FEL

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
 10
 OF 10

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/20/2005

API NO. ASSIGNED: 43-047-37294

WELL NAME: MUSTANG 1320-30

OPERATOR: SLATE RIVER RESOURCES (N2725)

CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-781-1871

PROPOSED LOCATION:

SWSE 03 130S 200E

SURFACE: 0834 FSL 2073 FEL

BOTTOM: 0834 FSL 2073 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|----------|
| Engineering | Deo | 11/17/05 |
| Geology | | |
| Surface | | |

LATITUDE: 39.71053

LONGITUDE: -109.6622

RECEIVED AND/OR REVIEWED:

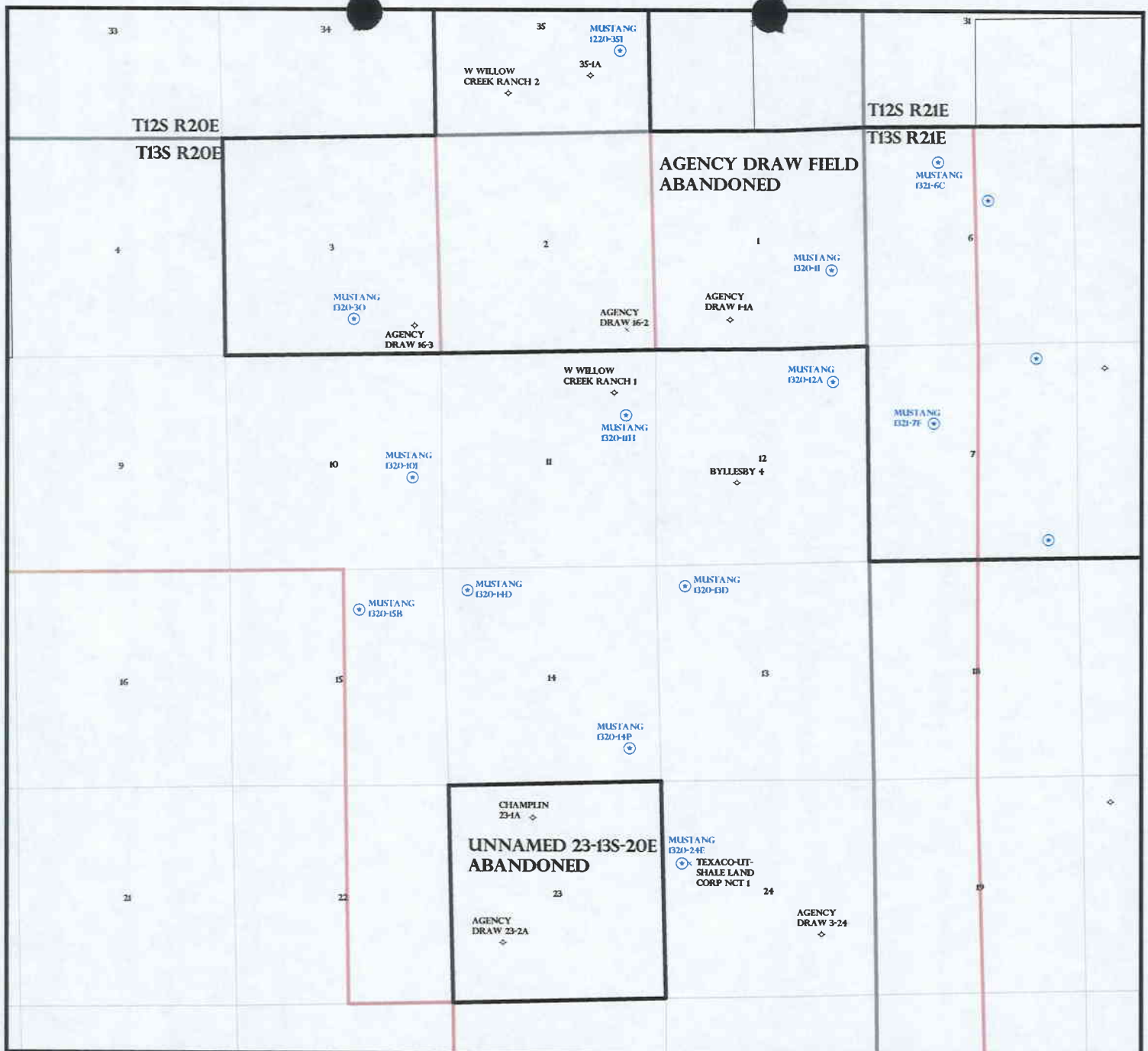
☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001556)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. T75377)
☒ RDCC Review (Y/N)
(Date: 11/08/2005)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit _____
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ ~~R649-3-3~~. Exception
☒ Drilling Unit
Board Cause No: 207-1
Eff Date: 8-25-83
Siting: See Cause Order
☐ R649-3-11. Directional Drill

COMMENTS: Needs Permit (11-02-05)

STIPULATIONS: 1- STATEMENT OF BASIS
2- Surface Csg Cont stip



OPERATOR: SLATE RIVER RES (N2725)

SEC: 3,13,14,24 T. 13S R. 20E

FIELD: WILDCAT (001)

COUNTY: UTAH

Case: 207-1 / 8-25-83

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 24-OCTOBER-2005

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Slate River Resources, LLC
WELL NAME & NUMBER: Mustang 1320-30
API NUMBER: 43-047-37294
LOCATION: 1/4,1/4 SW/SE Sec:3 TWP: 13S RNG: 20 E; 834' FSL 2073FEL

Geology/Ground Water:

Slate River proposes to set 2,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,100 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates 1 water well within a 10,000 foot radius of the proposed location. This well is over a mile from the proposed location. This well is owned by Utah Oil Shales was drilled to a depth of 70 feet and listed as used for stock watering. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 11-09-2005

Surface:

At the request of Slate River Resources, a pre-site for this well was completed on 11/2/2005. Both the surface and minerals are privately owned. Mr. David Salter represents the owner, Mustang-Eagle Minerals. He was contacted by phone on 10-26-2005 and informed of and invited to participate in the presite. He said the company has no specific concerns and he would not attend.

The area poses no problems for drilling a well.

Reviewer: Floyd Bartlett **Date:** 11/4/2005

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils with a felt sub-liner shall be properly installed and maintained in the reserve pit.
2. The diversion ditch as shown on cut sheet in bar pit of road is required.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Slate River Resources, LLC

WELL NAME & NUMBER: Mustang 1320-30

API NUMBER: 43-047-37294

LEASE: FEE **FIELD/UNIT:** Undesignated

LOCATION: 1/4, 1/4 SW/SE Sec:3 TWP: 13S RNG: 20 E; 834' FSL 2073FEL

LEGAL WELL SITING: Well should be located in NW/4 or SE/4 and 660' from quarter boundary.

GPS COORD (UTM): 4396279 Y 0614678 X **SURFACE OWNER:** Mustang-Eagle Oil

PARTICIPANTS

Floyd Bartlett (DOGM), John Conley, (Vice President Slate River LLC,) Ginger Stringham, (Permit Consultant), Travis Oldham (Diamond J Construction), Colby Kay (Timberline Land Surveying), Ben Williams (Utah Division of Wildlife Resources)

REGIONAL/SETTING TOPOGRAPHY

Site is in Uintah County, Utah in the Agency Draw area approximately 72 miles south east of Vernal, UT. The Willow Creek drainage lies to the east and Hill Creek drainage is to the west. The general topography is characterized by open broad to narrow ridges or plateaus intersected by numerous draws or canyons, which often become steep. Drainage is generally northeasterly into Willow Creek, which contains a perennial stream. All drainages in the Agency Draw area are ephemeral.

Access to the site from Ouray, UT is following the Seep Ridge Road south 29.4 miles from Ouray, UT, then south west 3.2 miles down the Uintah Co. road B-5460 to Willow Cr, then northwest 2.1 miles along Willow Cr and Uintah Co. road B-5120 to the Agency Draw road then following the roads in the Agency Draw area to near the site. (See Topographic Sheets "A and B" of the APD) Approximately 290 feet of new road will be constructed to access the site.

This location is on a gentle to moderately sloping side hill sloping from a high flat top mountain. Two active draws intersect the location.

SURFACE USE PLAN

CURRENT SURFACE USE: Winter sheep grazing, limited big game hunting and general recreation.

PROPOSED SURFACE DISTURBANCE: Location of 340' x 175' and a reserve pit of 80' x 160' with an additional 10' wide bench. Approximately 290 feet of new access road will be constructed. A pipeline 4,490 feet in length will be laid adjacent to the road to a tie in point.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See Topographic Map "C".

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No public concerns or interests are expected from drilling this well.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Vegetated with a Desert shrub type consisting of black sage, greasewood, shadscale, curly mesquite, broom snakeweed, pinion, juniper. Wild horses, deer, elk, mountain lion, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep, gravelly, sandy clay loam. Some small flat angular surface rock.

EROSION/SEDIMENTATION/STABILITY: Light natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems. A diversion ditch is planned in the bar of the road which will intercept the current drainage across the location.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: 80' x 160' x 10' deep, located on the southwest corner of the location. , The reserve pit is all within cut. A 15' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Level II sensitivity. A pit liner with a sub liner is required for the reserve pit. The operator stated they would line the pit with a 20,mil liner and an appropriate sub-liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per Land Owner Agreement.

SURFACE AGREEMENT:

A surface agreement has been executed and is on file.

ARCULTURAL RESOURCES/ARCHAEOLOGY: No Cultural or Archeological survey is required as per the Land Owner Agreement.

OTHER OBSERVATIONS/COMMENTS

None.

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

November 2, 2005; 4:30 PM

DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|---------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | |
| <25 or recharge area | 20 | <u>0</u> |
| Distance to Surf. Water (feet) | | |
| >1000 | 0 | |
| 300 to 1000 | 2 | |
| 200 to 300 | 10 | |
| 100 to 200 | 15 | <u>0</u> |
| < 100 | 20 | |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 | 0 | |
| 1320 to 5280 | 5 | |
| 500 to 1320 | 10 | |
| <500 | 20 | <u>0</u> |
| Distance to Other Wells (feet) | | |
| >1320 | 0 | |
| 300 to 1320 | 10 | |
| <300 | 20 | <u>0</u> |
| Native Soil Type | | |
| Low permeability | 0 | |
| Mod. permeability | 10 | |
| High permeability | 20 | <u>10</u> |
| Fluid Type | | |
| Air/mist | 0 | |
| Fresh Water | 5 | |
| TDS >5000 and <10000 | 10 | |
| TDS >10000 or Oil Base Mud Fluid | 15 | |
| containing significant levels of hazardous constituents | 20 | <u>5</u> |
| Drill Cuttings | | |
| Normal Rock | 0 | |
| Salt or detrimental | 10 | <u>0</u> |
| Annual Precipitation (inches) | | |
| <10 | 0 | |
| 10 to 20 | 5 | |
| >20 | 10 | <u>0</u> |
| Affected Populations | | |
| <10 | 0 | |
| 10 to 30 | 6 | |
| 30 to 50 | 8 | |
| >50 | 10 | <u>0</u> |
| Presence of Nearby Utility Conduits | | |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | <u>0</u> |

Final Score 15 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





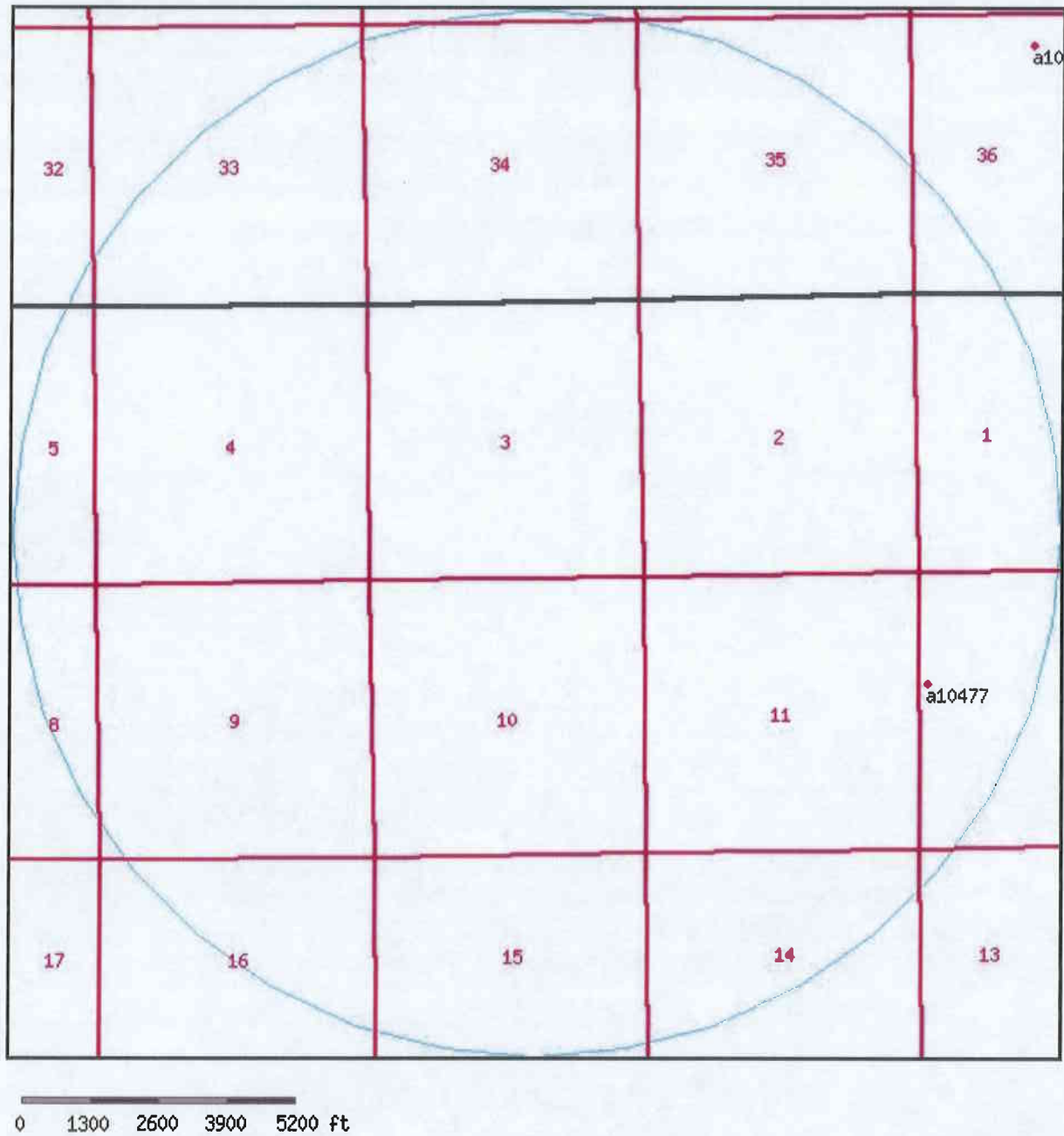
 **State Online Services** **Agency List** **Business.utah.gov**

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 11/09/2005 10:48 AM

Radius search of 10000 feet from a point N834 W2073 from the SE corner, section 03, Township 13S, Range 20E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all




Water Rights

| WR Number | Diversion Type/Location | Well Log | Status | Priority | Uses | CFS | ACFT | Owner Name |
|----------------------|---|---------------------|---------------|-----------------|-------------|------------|-------------|---|
| <u>49-285</u> | Underground S2125 E170 NW 12 13S 20E SL | | A | 19701203 | S | 0.015 | 0.000 | UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT |
| <u>49-285</u> | Underground S580 E2375 NW 36 12S 20E SL | | A | 19701203 | S | 0.015 | 0.000 | UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT |
| <u>a10477</u> | Underground S2125 E170 NW 12 13S 20E SL | | A | 19781106 | S | 0.015 | 0.000 | UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE) |
| <u>a10477</u> | Underground S580 E2375 NW 36 12S 20E SL | | A | 19781106 | S | 0.015 | 0.000 | UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE) |

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STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

| | |
|---|---|
| 1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801 | 2. Approximate date project will start: Upon Approval or November 7, 2005 |
| 3. Title of proposed action: Application for Permit to Drill | |
| 4. Description of Project: Slate River Resources, LLC proposes to drill the Mustang 1320-30 well (wildcat) on a Fee lease, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence. | |
| 5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 834' FSL 2073' FEL, SW/4 SE/4, Section 3, Township 13 South, Range 20 East, Uintah County, Utah | |
| 6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed. | |
| 7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted? | |
| 8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A | |
| 9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments | |
| 10. For further information, contact: Diana Whitney Phone: (801) 538-5312 | 11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: October 24, 2005 |

11-05 Slate Mustang 1320-10

Casing Schematic

Green River

Surface

propose TOC Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
454.

Surface
2000. MD

w/118% washout
Surface at 10% washout

2370 Washout

propose TOC 2000' or higher

3100 Bmsw

Strip: TOC ± 2300'
protect washout

TOC @
4243.

4870 Mesander

7500 Mancos

Production
8000. MD

w/15% washout

TOC 2444' w/0% washout

✓ TOC @ 10% w/1000' total

(420, Lead, 580 tail)

* See email amendment for 11/15/05

BHP

$$(1.052)(8.6)(8000) = 3578$$

Anticipate < 3600

Gws

$$(12)(8000) > 960$$

MASP = 2640

BOPE - 3,000 ✓

Surf csg - 2270

70% = 1589

Max pressure @ Surf = 2280

Test TO 1500# ✓

✓ Adequate DKO

11/17/05 4-1/2"
MW 8.6

Well name:

11-05 Slate Mustang 1320-30Operator: **Slate River Resources, LLC**String type: **Surface**

Project ID:

43-047-37294

Location: **Uintah County, Utah****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 93 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 299 ft

Cement top: 454 ft

Burst

Max anticipated surface pressure:

83 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 956 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 1,753 ft

Re subsequent strings:

Next setting depth: 8,000 ft

Next mud weight: 8.600 ppg

Next setting BHP: 3,574 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 2,000 ft

Injection pressure 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2000 | 9.625 | 32.30 | H-40 | ST&C | 2000 | 2000 | 8.876 | 126.8 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 873 | 1370 | 1.570 | 956 | 2270 | 2.37 | 65 | 254 | 3.93 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: (801) 538-5281
FAX: (801) 359-3940Date: November 10, 2005
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

| | | |
|--------------|------------------------------------|-----------------------------|
| Well name: | 11-05 Slate Mustang 1320-30 | |
| Operator: | Slate River Resources, LLC | |
| String type: | Production | Project ID: 43-047-37294 |
| Location: | Uintah County, Utah | |

Design parameters:
Collapse

Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 177 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,243 ft

Burst

Max anticipated surface pressure: 83 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 3,574 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 6,971 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 8000 | 4.5 | 11.60 | M-80 | LT&C | 8000 | 8000 | 3.875 | 185.4 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3574 | 6350 | 1.777 | 3574 | 7780 | 2.18 | 93 | 267 | 2.88 B |

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (801) 538-5281
FAX: (801) 359-3940

Date: November 10, 2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Wildlife Resources

JAMES F. KARPOWITZ
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 31, 2005

Gil Hunt
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subject: RDCC Project #5858, Application for Permit to Drill

Dear Mr. Hunt:

The Utah Division of Wildlife Resources has reviewed the subject document, and we provide the following comments:

We are concerned that the proposed action in conjunction with other proposed wells to be drilled in the area may result in cumulative impact to big game winter range. This area is classified as critical winter range for mule deer and substantial value elk winter range. Disturbances caused by drilling activities and increased human presence in the area increase stress to wintering big game. Increased human activity may cause animals to relocate to less desirable areas. These factors may result in increased winter mortality. We suggest a seasonal closure on new surface disturbances i.e.... pad and road construction and workover activities from November 15 – April 15 to minimize negative impacts to wintering big game animals.

Well pad and road locations should avoid open sagebrush/oakbrush areas and be located within pinion juniper stands where possible. Areas of suitable winter forage should be left undisturbed to minimize forage loss.

Mitigation should be accomplished by completing a habitat restoration project that creates and enhances beneficial habitat that will benefit mule deer and elk and compensate for ground disturbance and habitat loss. Ideas for mitigation may be discussed at the Uintah Basin Conservation and Development group via this office.

Thank you for the opportunity to review this proposed action and provide comment. If you have any questions, please call Ben Williams, Oil and Gas Habitat Biologist, at our Northeast Region, Vernal office (435-781-5357).

Sincerely,


Walt Donaldson
Regional Supervisor

Cc:JFK/TBW/Walt Donaldson/Steve Brayton/Mike Styler/Carolyn Wright

RECEIVED

NOV 07 2005

DIV. OF OIL, GAS & MINING

Clinton Dworshak - Slate River APD Cement Detail

From: "JTConley" <jconley@sl8river.com>
To: <clintondworshak@utah.gov>
Date: 11/15/2005 8:56 AM
Subject: Slate River APD Cement Detail
CC: "Ginger Stringham" <gs_paradigm@yahoo.com>

Clint;
Slate River's cementing practice and program intends to bring the lead cement to surface in each and every well.

Actual cement volumes are based on the openhole caliper and cement volume log. Typical cement jobs for the production casing run between 1000 and 1200 sx's total of the lead plus tail.

Please note this change for the APDs submitted as shown in the well listing below, and include our intent to bring the cement to surface.

| Well | Spot | S-T-R |
|--------------------------|-------------|------------------|
| Mustang #1220-35I | NESE | 35-12S-20E |
| Mustang #1320-10I | NESE | 10-13S-20E |
| Mustang #1320- 3O | SWSE | 3-13S-20E |
| Mustang #1320-11H | SENE | 11-13S-20E |
| Mustang #1320-13D | NWNW | 13-13S-20E |
| Mustang #1320-14P | SESE | 14-13S-20E |
| Mustang #1320-24E | SWNW | 24-13S-20E |
| Mustang #1320-14D | NWNW | 14-13S-20E |
| UOA #1321- 7P | SESE | 7-13S-21E |
| UOS #1321-17A | NENE | 17-13S-21E |
| UOS #1321- 4M | SWSW | 4-13S-21E |
| Mustang #1320-15B | NWNE | 15-13S-20E |

Please contact me if you have questions.

thanx,

J.T. Conley
Slate River Resources
418 East Main, Suite 18
Vernal, UT 84078
435-781-1870

November 17, 2005

RE: Slate River Resources, LLC
Mustang 1320-30
Sec. 3, T13S, R20E

Utah Division of Oil, Gas and Mining
1549 West North Temple
Suite 1210
PO BOX 145801
SLC, UT 84114

Dear Sir or Madam,

Slate River Resources respectfully requests an exception location for the subject well.
The well is an exception to Cause Order 207-1.

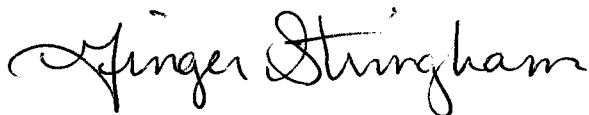
The well is located at 834' FSL & 2,073' FEL.

The location was moved due to topographic considerations, a drainage and access.
Please see the plat maps.

Slate River Resources is the only lease owner within a 660' radius.

If you have additional questions please feel free to contact me.

Best regards,



Ginger Stringham, Agent
PO BOX 790203
Vernal, UT 84079
435-789-4162

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 21, 2005

Slate River Resources, LLC
418 East Main
Vernal, UT 84078

Re: Mustang 1320-30 Well, 834' FSL, 2073' FEL, SW SE, Sec. 3,
T. 13 South, R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37294.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: Slate River Resources, LLC
Well Name & Number Mustang 1320-3O
API Number: 43-047-37294
Lease: Fee

Location: SW SE Sec. 3 T. 13 South R. 20 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

6. Surface casing shall be cemented to the surface.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: SLATE RIVER RESOURCES LLC

Well Name: MUSTANG 1320-30

Api No: 43-047-37294 Lease Type: FEE

Section 03 Township 13S Range 20E County UINTAH

Drilling Contractor PETE MARTIN RIG # BUCKET

SPUDDED:

Date 12/04/05

Time 5:00 PM

How DRY

Drilling will Commence: _____

Reported by RANDY DUGAN

Telephone # 1-435-828-7967

Date 12/05/2005 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Slate River Resources, LLC
 Address: 418 E. Main Suite 18
city Vernal
state UT zip 84078

Operator Account Number: N 2725
 Phone Number: (435) 781-1870

Well 1

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|----------------------------------|-----|--------|
| 4304737287 | Mustang 1220-35I | NESE | 3S | 12S | 20E | Utah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date | | |
| A | 99999 | 15102 | 12/3/2005 | 12/15/05 | | |
| Comments: MIRU Pete Martin bucket rig. Spud @ 9:00 a.m. on 12/3/05 <div style="float: right; text-align: right;"> CONFIDENTIAL K <i>MNCS</i> </div> | | | | | | |

Well 2

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|----------------------------------|-----|--------|
| 4304737284 | Mustang 1320-30 | SWSE | 3 | 13S | 20E | Utah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date | | |
| A | 99999 | 15103 | 12/4/2005 | 12/15/05 | | |
| Comments: MIRU Pete Martin bucket rig. Spud @ 5:00 p.m. on 12/4/05 <div style="float: right; text-align: right;"> CONFIDENTIAL K <i>MNCS</i> </div> | | | | | | |

Well 3

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|----------------------------------|-----|--------|
| | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date | | |
| | | | | | | |
| Comments: | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Lucy Nemec

Name (Please Print)

Signature

Sr. Operations Specialist

Title

12/8/2005

Date

(5/2000)

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DEC 08 2005
 DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals | | 5. Lease Designation and Serial Number: FEE |
| 1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: | | 6. If Indian, Allottee or Tribe Name: |
| 2. Name of Operator: SLATE RIVER RESOURCES, LLC | | 7. Unit Agreement Name: |
| 3. Address and Telephone Number: 418 E. MAIN SUITE 18 VERNAL, UT 84078 | | 8. Well Name and Number: MUSTANG 1320-30 |
| 4. Location of Well: Footages: 834' FSL & 2073' FEL QQ, Sec., T., R., M.: SW/SE SEC 3 T13S R20E SLC MERIDIAN | | 9. API Well Number: 43-047-37294 |
| | | 10. Field and Pool, or Wildcat: WILDCAT |
| | | County: UINTAH State: UT |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| NOTICE OF INTENT (Submit in Duplicate) | SUBSEQUENT REPORT (Submit Original Form Only) |
|--|--|
| <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div> | <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandon* <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Spud Notice / Cement Surface Casing</u> </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div> |
| Approximate date work will start _____ <div style="text-align: center; font-weight: bold; transform: rotate(-10deg); font-size: 1.2em;">CONFIDENTIAL</div> | Date of work completion <u>12/10/2005</u> Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report. |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Pete Martin Rathole Drilling MI&RU Bucket Truck. The well was spud at 5 :00 Pm on 12/4/05. 40' of 14" conductor pipe was cemented with 4 yards of ready-mix cement.

12/4 -12/10/05

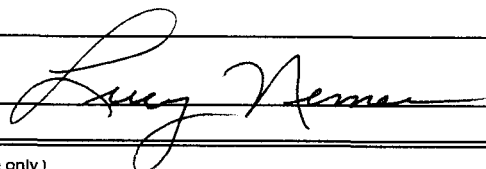
Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 2040'. Set 2003' (46 Jts) of 9-5/8" 32.30# H-40 ST&C as follows:

Lead: 160 sx 11# 16% Gel, 10#/sk Gilsonite, 3% salt, 1/4#/sk flocele, 3#/sk GR-3

Tail: 200 sx 15.8# w/ 2% CaCl₂, 1/4#/sk flocele. 5 bbl lead returned

Top Job: 100 sx Premium w/4% CaCl₂

Top Job: 40 sx 15.8# Premium w/2% CaCl₂, 1/4# /sk flocele - cement staying full at surface.

13. Name and Signature:  Title: SR. Operations Spec Date: 20-Dec-05
 Lucy Nemecek

(This space for State use only.)

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DIV. OF OIL, GAS & MINING

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

SLATE RIVER RESOURCES, LLC

3. Address and Telephone Number:

418 E. MAIN SUITE 18 VERNAL, UT 84078

4. Location of Well:

Footages: 834' FSL & 2073' FEL

Q.Q. Sec. T. R. M.: SW/SE SEC 3 T13S R20E SLC MERIDIAN

County: UTAH

State: UT

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

MUSTANG 1320-30

9. API Well Number:

43-047-37294

10. Field and Pool, or Wildcat:

WILDCAT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT

(Submit in Duplicate)

- | | |
|---|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other | |

Approximate date work will start 1/5/2006

SUBSEQUENT REPORT

(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other | |

Date of work completion

Report results of Multiple Completions and Recompletions to different reservoirs on WELL
COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Slate River Resources requests approval to amend the proposed TD in the previously approved APD from 8000' to 8200'.

Production casing to be run will remain the same: New 4-1/2" 11.60# M-80 LT&C casing with the exception of the setting depth of 8200'.

The cementing program will remain the same with the exception of the cement volume which will be based on the deeper depth.

NEW CERT NO OPERATOR
1-23-06
CWO

13.

Name and Signature:

Lucy Nemes

Title:

SR. Operations Spec

Date:

29-Dec-05

(This space for State Use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 12/29/05 (See Instructions on Reverse Side)

BY: [Signature]

DEC 29 2005

DIV. OF OIL, GAS, AND MINING

(4/94)

418 E. Main Street
Vernal, UT 84078
Office: 435-781-1870
Fax: 435-781-1875

**SLATE RIVER
RESOURCES, LLC**

Fax

| | | | |
|----------------|--------------|----------------|-----------------------|
| To: | Dustin Ducet | From: | Lucy Nemecek |
| Company | DOGM | Company | Slate River Resources |
| Fax: | 801-359-3940 | Pages: | 2 |
| Phone: | | Date: | 12/29/05 |
| Re: | Change in TD | cc: | |

☐ Urgent ☒ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• **Comments:**

Please call if you have any questions 435-781-1870

Lucy

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DEC 29 2005

DIV. OF OIL, GAS & MIN. IN.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. Lease Designation and Serial Number: FEE |
| Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals | | 6. If Indian, Allottee or Tribe Name: |
| | | 7. Unit Agreement Name: |
| 1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: | | 8. Well Name and Number: MUSTANG 1320-30 |
| 2. Name of Operator: SLATE RIVER RESOURCES, LLC | | 9. API Well Number: 43-047-37294 |
| 3. Address and Telephone Number: 418 E. MAIN SUITE 18 VERNAL, UT 84078 | | 10. Field and Pool, or Wildcat: WILDCAT |
| 4. Location of Well: Footages: 834' FSL & 2073' FEL QQ, Sec., T., R., M.: SW/SE SEC 3 T13S R20E SLC MERIDIAN | | County: UINTAH State: UT |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| NOTICE OF INTENT (Submit in Duplicate) | SUBSEQUENT REPORT (Submit Original Form Only) |
|---|---|
| <input type="checkbox"/> Abandon <input type="checkbox"/> New Construction <input type="checkbox"/> Repair Casing <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Recomplete <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Reperforate <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Other _____ | <input type="checkbox"/> Abandon* <input type="checkbox"/> New Construction <input type="checkbox"/> Repair Casing <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Reperforate <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Water Shut-Off <input checked="" type="checkbox"/> Other <u>Set & Cement Production Casing</u> |
| Approximate date work will start: _____ | Date of work completion <u>1/8/2006</u> Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report. |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

12/28 -1/8/2006

MIRU Union Rig #7. Drilled a 7-7/8" hole from 2040' - 8200'.

Ran 194 jts of new 4-1/2" 11.60# M-80 LT&C casing and set @ 8197'.

Big 4 Cementing cemented production casing with 1160 sx cement as follows:

Lead - 300 sx of 16% Gel - 10# sk Gilsonite, 3% salt, 1/4# flocele, 3# sk GR-3

Tail - 860 sx - 50/50 Poz, 2% Gel, 10% salt, 3% FLD .3% dispersant, 1/4# sk flocele

Land plug w/2400 psi up to 3000 psi on 1/7/06. No cement to surface.

Rig Released @ 0430 1/8/06. RDMOL. WO Completion Rig

13. Name and Signature: Lucy Nemec Title: SR. Operations Spec Date: 30-Jan-06
 (This space for State use only.)

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FEB 01 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

1b. TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other _____

2. NAME OF OPERATOR

Slate River Resources LLC

3. ADDRESS AND TELEPHONE NO.

418 E. Main St. Suite 18, Vernal, UT 84078

435-781-1870

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)

At Surface 834' FSL 2073' FEL

At top prod. Interval reported below

At total depth

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5. LEASE DESIGNATION AND SERIAL NO.

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Mustang 1320-30

9. API NO.

43-047-37294

10. FIELD AND POOL OR WILDCAT

WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SWSE SEC 3, T13S R20E SL&M

12. COUNTY

UINTAH

13. STATE

UTAH

14. DATE SPUNDED

12/4/05

15. DATE T.D. REACHED

1/5/06

16. DATE COMPL. (Ready to prod. or Plug &)

5/9/06

Abandon ☐Ready to Prod ☒

17. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

6153 GL, 6168.6 KB

18. TOTAL DEPTH, MD & TVD

8200 MD 8200 TVD

19. PLUG, BACK T.D., MD & TVD

8153 TD 8153 MD

20. IF MULTIPLE COMPL.,

HOW MANY 3

21. DEPTH

BRIDGE PLUG SET: TVD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)

Mesaverde 6716' - 6913', Sego 7415' - 7420', Blackhawk 7893' - 7980', MD & TVD

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

HRI/SD/DSN, CBL/CCL/VDL

27. WAS WELL CORED YES ☐ NO ☒ (Submit analysis)DRILL STEM TEST YES ☐ NO ☒ (See reverse side)

CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|---|---------------|
| 9-5/8" H-40 | 32.30# | 2018 | 12-1/4" | 500 sxs "G" | None |
| 4-1/2" M-80 | 11.60# | 8197 | 7-7/8" | 300 sxs Lead Prem, 860 sxs Tail "50/50" | None |
| | | | | TOC @ 700' | |

| 29. LINER RECORD | | | | | 30. TUBING RECORD | | |
|------------------|----------|-------------|---------------|-------------|-------------------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| | | | | | 2-3/8" | 6918 | |

31. PERFORATION RECORD (Interval, size and number)

INTERVAL **SIZE** **NUMBER**
SEE ATTACHED

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|--|
| 7980 - 7893 | 139,901# 30/50 Sand ATR 31.7 BPM, ATP 3680 PSI |
| 6960 - 6866 | 86,942# 30/50 Sand ATR 20.8 BPM, ATP 3038 PSI |
| 6716 - 6720 | 32,714# 30/50 Sand ATR 10.2 BPM, ATP 2360 PSI |
| 6956 - 6960 | Squeezed w/ 50 sxs "G" |

33.* **PRODUCTION**

DATE FIRST PRODUCTION **SIWOF** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)

WELL STATUS (Producing or shut-in) **SI WO Facilities**

| | | | | | | | |
|---------------------|-----------------|-------------------------|-------------------------|-----------|-------------|-------------------------|---------------|
| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL--BBL. | GAS--MCF | WATER--BBL. | GAS-OIL RATIO |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL--BBL. | GAS--MCF | WATER--BBL. | OIL GRAVITY-API (CORR.) | |

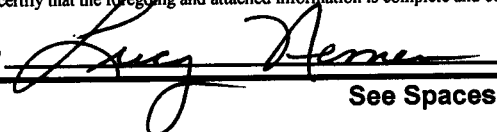
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Perforation Record & Additional Frac History

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED



TITLE Sr. Operations Specialist

DATE 2/13/2007

See Spaces for Addition Data on Reverse Side

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FEB 15 2007

DIV. OF OIL, GAS & MINING

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

| 37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries. | | | | 38. GEOLOGIC MARKERS | | |
|--|------|--------|-----------------------------|----------------------|-------------|------------------|
| Formation | Top | Bottom | Description, contents, etc. | Name | Top | |
| | | | | | Meas. Depth | True Vert. Depth |
| Wasatch | 2737 | | Shale, Sandstone | | | |
| Mesaverde | 5026 | | Shale, Sandstone | | | |
| Castlegate | 7431 | | Sandstone & Shale | | | |
| Mancos | 7747 | | Sandstone & Shale | | | |
| Blackhawk | 7894 | | Sandstone & Shale | | | |
| CONFIDENTIAL | | | | | | |

Mesaverde and Mancos are comingled. Test on 9/20/05 included both intervals.

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Attachment to Completion Report

Mustang 1320-30

27. PERFORATION RECORD

3-1/8" Barrel Gun 120 Deg Phasing .35 perf Diameter

| <u>Formation</u> | <u>Interval</u> | <u>No Holes</u> | | <u>Status</u> |
|------------------|-----------------|-----------------|-------|---------------|
| Blackhawk | 7976 - 7980 | 12 | 3 SPF | Open |
| Blackhawk | 7893 - 7896 | 9 | 3 SPF | Open |
| Sego | 7415 - 7420 | 20 | 4 SPF | Open |
| Mesaverde | 6956 - 6960 | 8 | 2 SPF | Squeezed |
| Mesaverde | 6911 - 6913 | 4 | 2 SPF | Open |
| Mesaverde | 6866 - 6868 | 4 | 2 SPF | Open |
| Mesaverde | 6716 - 6720 | 8 | 2 SPF | Open |

Total **65**

28. FRAC HISTORY (cont'd)

| <u>Depth of Interval</u> | <u>Amount / type of material</u> |
|--------------------------|---|
| 7415 - 7420 | 24,279# 30/50 Sand, ATR 10.3 BPM, ATP4882 PSI |

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Slate River Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 East Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| PHONE NUMBER: (435) 781-1870 | | 9. API NUMBER: 4304737294 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E S | | 10. FIELD AND POOL, OR WILDCAT: Agency Draw |
| COUNTY: Uintah | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input checked="" type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Flow test well |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well is presently shutin waiting on facilities. Slate River Resources proposes to run a temporary flowline from the well to the Mustang #1320-10I well located in NESE S10-T13S-R20E. The #1320-30 well will flow thru the temporary flowline and into the #1320-10I production facilities to allow a production test and evaluation of the #1320-30 well.

The #1320-30 well requires a metered flowtest in order to establish the economics of setting permanent production facilities at the wellsite and to install approximately 1½ miles of permanent pipeline connecting to our field gathering system. We propose utilizing the production facilities and meter at the #1320-10I location in order to obtain the test information.

The wells will not be commingled as the #1320-10I will be shutin during testing of the #1320-30 well. Prior to the start of the test, the #1320-10I meter and tanks will be closed out, such that all flow and volumes recorded during the #1320-30 testing are directly attributable to that well. The ownership and interests in both wells are identical as both wells are part of the same Fee lease.

Following the test, the #1320-30 will be disconnected from the #1320-10I facility, and the #1320-10I will be restarted. It is estimated the flow test will take 2-3 weeks to complete.

| | |
|---|----------------------------|
| NAME (PLEASE PRINT) J. T. Conley | TITLE VP Operations |
| SIGNATURE <i>J. T. Conley</i> | DATE 4-30-2007 |

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: **5/18/07**
BY: *[Signature]*

COPY SENT TO OPERATOR
Date: **5/21/07**
Initials: *[Signature]*

RECEIVED
MAY 02 2007

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Slate River Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 East Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (435) 781-1870 | | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| 9. API NUMBER: 4304737294 | | 10. FIELD AND POOL, OR WILDCAT: Agency Draw |

| | |
|---|----------------|
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E S | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON | |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR | |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE | |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL | |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF | |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Flow Testing | |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

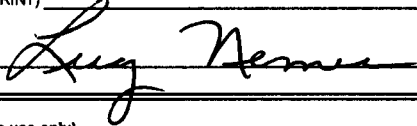
This well was shut-in waiting on facilities. Slate River Resources ran a temporary flowline from the well to the Mustang #1320-10I well located in NESE S10-T13S-R20E. The #1320-30 well is currently flowing thru the temporary flowline and into the #1320-10I production facilities to allow a production test and evaluation of the #1320-30 well.

The wells are not being commingled as the #1320-10I is currently shut-in while testing the #1320-30 well. Prior to the start of the test, the #1320-10I meter and tanks were closed out, in order that all flow and volumes recorded during the #1320-30 testing are directly attributable to that well.

The Mustang 1320-30 began flow testing on 5/18/07 and will be tested for 2 -3 weeks under supervised conditions. The Initial flow test is as follows:

5/18/07 - Flowed for 7.5 hrs, FTP = 240 psi, FCP = 700 psi. Made 232 MCF, 37 BW, 1.5 BO.

The current status of the well is intermittent flow testing.

| | |
|---|---------------------------------|
| NAME (PLEASE PRINT) Lucy Nemec | TITLE Sr. Operations Specialist |
| SIGNATURE  | DATE 6/5/2007 |

(This space for State use only)

RECEIVED

JUN 08 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Slate River Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 East Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| PHONE NUMBER: (435) 781-1870 | | 9. API NUMBER: 4304737294 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E S | | 10. FIELD AND POOL, OR WLDCAT: Agency Draw |
| COUNTY: Uintah | | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input checked="" type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/27/2007 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Flow test well |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Notice of termination of the flow test of the Mustang #1320-30 well.

This well was flow tested beginning 05/18/07 thru 06/27/07. The well was flow tested thru a temporary flowline utilizing the production facilities located at the Mustang #1320-10I in NESE S10-T13S-R20E.

The gas meter and production tanks were gauged and closed out following the flow test and the gas and liquids produced during the test will be reported as production from the Mustang #1320-30 well.

The Mustang #1320-30 is shut-in pending evaluation of the flow test.

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Lucy Nemecek</u> | TITLE <u>Sr. Operations Specialist</u> |
| SIGNATURE <u><i>Lucy Nemecek</i></u> | DATE <u>7/3/2007</u> |

(This space for State use only)

RECEIVED
JUL 05 2007

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

2/21/2008

FROM: (Old Operator):

N2725-Slate River Resources, LLC

418 E Main, Suite 18

Vernal, UT 84078

Phone: 1 (435) 781-1874

TO: (New Operator):

N1675-Mustang Fuel Corporation

13439 Broadway Ext.

Oklahoma City, OK 73114-2202

Phone: 1 (405) 748-9487

CA No.

Unit:

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|-----|-----|-----|--------|--------------|------------|--------------|----------------|
| SEE ATTACHED LIST | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/28/2008
- a. Is the new operator registered in the State of Utah: Yes Business Number: 1467562-0143
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2) Waste Management Plan has been received on: _____ Requested
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/28/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/28/2008
- Bond information entered in RBDMS on: 4/28/2008
- Fee/State wells attached to bond in RBDMS on: 4/28/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: n/a
 - Indian well(s) covered by Bond Number: n/a
 - a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400KB7078
 - b. The **FORMER** operator has requested a release of liability from their bond on: 4/18/2008 Disposal Facilities only
- The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 4/28/2008

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Mustang Fuel Corporation N1675 | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 13439 Broadway Extension CITY Oklahoma City STATE OK ZIP 73114-2202 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (405) 748-9487 | | 8. WELL NAME and NUMBER: See attached |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells | | 9. API NUMBER: See attach |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: See attached |
| COUNTY: Uintah | | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/21/2008 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mustang Fuel Corporation requests a change of operator from Slate River Resources, LLC to Mustang Fuel Corporation, effective February 21, 2008 for the wells and facilities listed on the attached schedule.

The bond numbers for Mustang Fuel Corporation are:

State of Utah DOGM Bond 400KB7078

State of Utah Bond of Lessee

Federal Utah Statewide Bond

| | |
|------------------------------|--------------------------|
| NAME (PLEASE PRINT) Jim Hill | TITLE Operations Manager |
| SIGNATURE <i>Jim Hill</i> | DATE 2/21/2008 |

(This space for State use only)

APPROVED 4128108

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 18 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Slate River Resources, LLC <i>N2725</i> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (435) 781-1874 | | 8. WELL NAME and NUMBER: See attached |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells | | 9. API NUMBER: See attach |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: See attached |

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/21/2008</u> | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Slate River Resources, LLC requests a Change of Operator from Slate River Resources, LLC to Mustang Fuel Corporation on the wells listed on the attached schedule including a change of Operator for the AD Disposal Pit 1, AD Disposal Pit #2 and the Willow Creek Compressor facility effective 2/21/08.

NAME (PLEASE PRINT) Lucy Nemec TITLE Sr. Operations Specialist
SIGNATURE *Lucy Nemec* DATE 3/27/2008

(This space for State use only)

APPROVED 4/28/08
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
MAR 28 2008
DIV. OF OIL, GAS & MINING

[illegible]

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO AGREEMENT NAME:

8. WELL NAME and NUMBER:

Mustang #1320-30

9. API NUMBER:

4304737294

10. FIELD AND POOL, OR WILDCAT:

Agency Draw

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

Slate River Resources, LLC

3. ADDRESS OF OPERATOR:

418 East Main, Suite 18

CITY Vernal

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 781-1870

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 834' FSL, 2073' FEL

COUNTY: Uintah

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/30/2008</u> | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input checked="" type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mustang Fuel Corporation requests approval to Perforate the Castlegate, Sego Coal and Nelsen Coal zones.

Procedure as follows:

1. MIRU Completion Unit. Run GR/JB to 7600' and set CBP @ 7600', cap w/10' cement.
2. Perforate Castlegate Coal interval 7504' - 7530', frac and test.
2. Set CBP @ 7300', Perforate the Sego Coal @ 7210' - 7244', frac and test.
3. Set CBP @ 6960'. Perforate Nelsen Coal interval from 6876' - 6950', frac & test.
4. Perforate Nelsen Coal interval from 6060' - 6121', frac & test.
5. Drill out CBPs @ 6960 & 7300'.
6. Return well to production

COPY SENT TO OPERATOR

Date: 6-10-2008Initials: KSNAME (PLEASE PRINT) Lucy NemecekTITLE Sr. Operations SpecialistSIGNATURE Lucy NemecekDATE 5/27/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 6/2/08BY: [Signature]

(See Instructions on Reverse Side)

(5/2008)

RECEIVED

MAY 27 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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| | |
|---|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Mustang Fuel Corporation | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 East Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| PHONE NUMBER: (435) 781-1870 | 9. API NUMBER: 4304737294 |
| 10. FIELD AND POOL, OR WILDCAT: Agency Draw | |

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
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| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/26/2008 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mustang Fuel Corporation reports production facilities were installed and the above referenced location was placed on production at 8:51 a.m. 6/26/08.

NAME (PLEASE PRINT) Lucy Nemec

TITLE Sr. Operations Specialist

SIGNATURE

DATE 7/1/2008

(This space for State use only)

RECEIVED

JUL 03 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Mustang Fuel Corporation | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 418 East Main, Suite 18 CITY Vernal STATE UT ZIP 84078 | | 7. UNIT OR CA AGREEMENT NAME: |
| PHONE NUMBER: (435) 781-1870 | | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | | 9. API NUMBER: 4304737294 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E S | | 10. FIELD AND POOL, OR WILDCAT: Agency Draw |
| COUNTY: Uintah | | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION | |
| | <input type="checkbox"/> ALTER CASING | <input checked="" type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON | |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR | |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE | |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL | |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF | |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ | |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mustang Fuel Corporation requests an extension for the NOI submitted 5/27/08 and approved 5/27/08 to perforate the Castlegate, Sego Coal and Nelsen Coal zones. Mustang plans to complete the work at a later date.

COPY SENT TO OPERATOR

Date: 4.28.2009

Initials: KS

| | |
|--------------------------------|---------------------------------|
| NAME (PLEASE PRINT) Lucy Nemec | TITLE Sr. Operations Specialist |
| SIGNATURE Lucy Nemec | DATE 4/22/2009 |

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 4/23/09

BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

APR 22 2009

DIV. OF OIL, GAS & MINING

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

These wells are in violation of R-649-3-36 as listed above. The Division requires Mustang to put up full cost bonding for the wells in violation above per R649-3-4. It is also mandatory that Mustang submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Mustang shall fulfill full cost bonding requirements for each well. Mustang shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

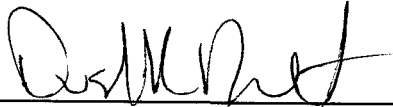
*** Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: May 1, 2013

Date of Service Mailing: March 19, 2013

Certified Mail No.: 7010 1670 0001 4810 3959



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files

1/2013

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

| | | | |
|---|--|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small> | | 5. LEASE DESIGNATION AND SERIAL NUMBER: Fee | |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| | | 7. UNIT or CA AGREEMENT NAME: | |
| | | 8. WELL NAME and NUMBER: Mustang 1320 - 30 | |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 9. API NUMBER: 4304737294 | |
| 2. NAME OF OPERATOR: Mustang Fuel Corporation | | 10. FIELD AND POOL, OR WILDCAT: Wildcat | |
| 3. ADDRESS OF OPERATOR: 9800 N Oklahoma Ave CITY Oklahoma City STATE OK ZIP 73114 | | PHONE NUMBER: (405) 748-9400 | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FSL, 2073' FEL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E STATE: UTAH | | | |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/1/2013 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input checked="" type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |
| | | | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

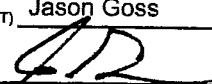
Mustang Fuel proposes to plug and abandon this well per the following :

- MOL and RU daylight pulling unit. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP.
- Plug #1 (Blackhawk/Mancos Interval: 7843' - 7450'): TIH and set CR at 7843'. Spot 45 sxs Class B cement above CR. WOC and tag.
 - Plug #2 (Mesaverde perforations: 6666' - 6566'): TIH and set CR or CIBP at 6666'. Load casing with water and circulate well clean. Spot 12 sxs Class B cement.
 - Plug #3 (Mesaverde top: 5076' - 4976'): 12 sxs Class B cement inside casing.
 - Plug #4 (BMSW: 3150' - 3050'): 12 sxs Class B cement inside casing.
 - Plug #5 (Wasatch: 2787' - 2687'): 12 sxs Class B cement inside casing.
 - Plug #6 (9.625" casing shoe: 2068' - 1968'): 12 sxs Class B cement inside casing.
 - Plug #7 (Surface 100' - 0'): Perforate 3 holes at 100'. Establish circulation to surface. Mix approximately 40 sxs Class B cement and pump down the casing; circulate good cement to the surface.
 - ND BOP and cut off wellhead. Install P&A marker with cement. RD, MOL and cut off anchors.

COPY SENT TO OPERATOR

Date: **10.10.2013**

Initials: **KS**

| | |
|---|----------------------------------|
| NAME (PLEASE PRINT) Jason Goss (405-842-7888) | TITLE Consulting Engineer |
| SIGNATURE  | DATE 9/17/2013 |

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: **10/2/2013**

BY: 

* See conditions of Approval (Attached)

RECEIVED

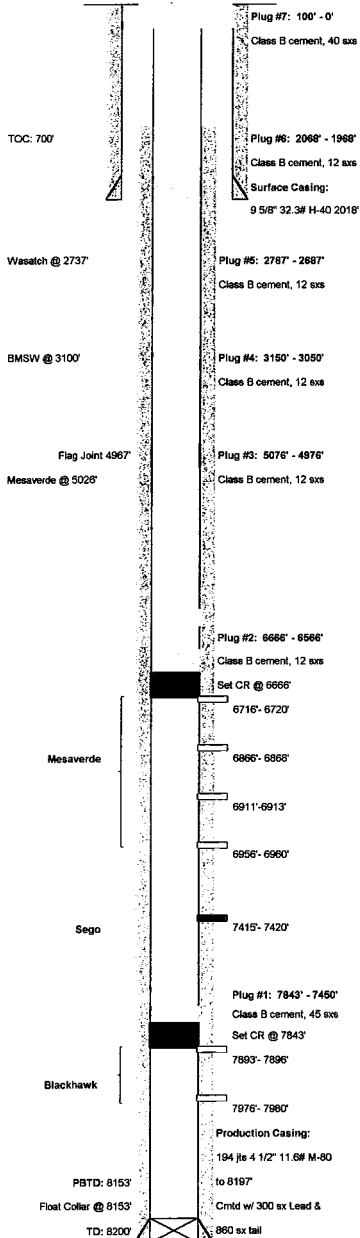
SEP 27 2013

DIV. OF OIL, GAS & MINING

WELLBORE DIAGRAM

| | |
|------------------------|--|
| WELL: Mustang #1320-30 | Prospect: Agency Draw /1026 UT |
| FIELD: Agency Draw | LEGAL DESCRIPTION: Sec.03-13S-20E NW SW SE |
| SPUDDED: 12/9/2005 | COUNTY: Uintah STATE: UT |
| Days drill: | PRODUCING ZONE: Mesaverde |
| Comp Date: 1/07/2006 | API: 4304737294 |
| First Prod: 5/1/2007 | GL: 8153' TD: 8200' |
| STATUS: SI | KB: 6168.6' PBD: 8153' |
| COMMENTS: | WI BPO: 74.00 WI APO: 74.00 |
| | NRI BPO: 58.60 NRI APO: 70.60 |
| | CC # 102690900100 |
| | SAP# WU10260014 |

WELL TESTS

[illegible]

| DESCRIPTION | | | | | | |
|--|---|---------------------------|------------|------------|----------|--------|
| Casing head: Cameron 11" 3K * 8 5/8" | | | | | | |
| Wellhead: Cameron 7 1/16"- 5K * 2 1/16" | | | | | | |
| | | | | | | |
| | | | | | | |
| Hole (in) | Size (in) | WT (lb/ft) | Grade | Top (ft) | BTM (ft) | Jts |
| 12 1/4 | 9 5/8 | 32.3 | H-40 | 0 | 2018 | 46 |
| 7 7/8 | 4 1/2 | 11.6 | M-80 | 0 | 8187 | 194 |
| * Flag Joint @ 4967' | | *Float Collar @ 8153' | | | | |
| Tubing Record | | Cond: NEW Date: 30-Jan-06 | | Tally (ft) | | |
| 2 3/8 | | 4.7 J-55 | | 0 | 7823.3 | 237 |
| Item | Desc | Size (in) | Tally (ft) | Jts | | |
| K.B. | | | | 15.6 | | |
| Hanger | | | | 0.68 | | |
| TGB | | 2 3/8 | 7837.34 | 238 | | |
| SUB | 1.781 Nipple | | 1.42 | | | |
| EOT @ | | | 7855.04 | | | |
| Perforations Record | | | | | | |
| Zone | Top (ft) | BTM (ft) | SPF | DATE | STATUS | STIM |
| Mesaverde | 6716 | 6720.00 | 2.00 | Feb-06 | Open | Fraced |
| Mesaverde | 6866 | 6868.00 | 2.00 | Feb-06 | Open | Fraced |
| Mesaverde | 6911 | 6913.00 | 2.00 | Feb-06 | Open | Fraced |
| Mesaverde | 6956 | 6960.00 | 2.00 | Feb-06 | Squeezed | Fraced |
| Sego | 7415.00 | 7420.00 | 4.00 | Apr-06 | Open | Fraced |
| Blackhawk | 7893.00 | 7896.00 | 3.00 | Feb-06 | Open | Fraced |
| Blackhawk | 7976.00 | 7980.00 | 3.00 | Feb-06 | Open | Fraced |
| WELL WORK HISTORY | | | | | | |
| 12/29/05-1/8/06 Drilling well TD 8200'. Ran Halliburton Triple combo log. Run 4 1/2 Casing to 8197' and cement same. | | | | | | |
| 1/25/2006- | INITIAL COMPLETION | | | | | |
| 02/07/06 | RIH w/ bit & scraper of pbd circ, hole clean ran CBL/CCLVDL Log from pbd 8125' to 1500' loc @ 700' | | | | | |
| | seen rih w/ logging tools perforated & fraced well correlated to Halliburton Triple Combo log | | | | | |
| 1/6/2006 | Blackhawk zones 7880-7863' gross fraced using 139,901# 30/50 white sand as follows avg rate 31.7 BPM avg press 3680 psi fg. 78 | | | | | |
| | Mesaverde zones 6960'-6866' gross fraced using 86,942# 30/50 white sand as follows avg rate 20.8 BPM avg press, 3038 psi fg.74 | | | | | |
| | Mesaverde zone 6716'-6720 graced using 32,714# 30/50 white sand as follows avg rate 10.2 BPM avg press, 2360 psi fg.77, well shut in for two days | | | | | |
| | then flowed back to die on 18/64" choke well was cleaned out to PBTD and circ, using treated 2% KCl wtr & landed as shown above well was flow tested to clean up and production | | | | | |
| 4/6/2006- | well was pulled to look for water on initial POOH heavy barium scale was seen on tbg from 6956' to 7054' scale was drilled out csg scraper was ran all | | | | | |
| 5/5/2006 | perfs where swab tested and samples where taken perfs 6956'-6960' where squeezed w/ 50 ex "G" cmr squeeze was drilled out note scale was seen on clean out! | | | | | |
| | Sego perfs 7415'- 7420' where shot & Fraced down tbg using 24,278# 30/50 Sand AVG rate 10.3 BPM avg press 4882 psi zone was flowed back and swab | | | | | |
| | tested recovered @ 98 bbls over load perfs did not appear wet well was cleaned out to PBTD 28 ft production tally of 922.96' was left on seal next to well head | | | | | |
| | along w/ 14 ft work string from Mustang #1320-7F well was swab tested | | | | | |
| 7/19/2006 | Well SI following recompletion above due to poor performance. RU PLS ran BHP survey. STIP=2225 psig, SICP= 2240 psig recorded during wireline run | | | | | |
| 04/19/2006- | Lower tubing string to remove hydrostatic fluid head pressure off of lower perforated intervals. | | | | | |
| 4/28/2008 | | | | | | |
| 6/26/2008 | Installed production equipment from Mustang 11, ran sales line. Turned well to production on 06/28/2008 | | | | | |



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Mustang 1320-30
API Number: 43-047-37294
Operator: Mustang Fuel Corporation
Reference Document: Original Sundry Notice dated September 17, 2013,
received by DOGM on September 27, 2013.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.
3. All annuli shall be cemented from a minimum depth of 100' to the surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

October 2, 2013

Date

API Well No: 43-047-37294-00-00

Permit No:

Well Name/No: MUSTANG 1320-30

Company Name: MUSTANG FUEL CORPORATION

Location: Sec: 3 T: 13S R: 20E Spot: SWSE

Coordinates: X: 614616 Y: 4396481

Field Name: AGENCY DRAW

County Name: UTAH

String Information

| String | Bottom (ft sub) | Diameter (inches) | Weight (lb/ft) | Length (ft) | Capacity (CF/CF) |
|--------|-----------------|-------------------|----------------|-------------|------------------|
| HOL1 | 2018 | 12.25 | | | |
| SURF | 2018 | 9.625 | 32.3 | 2018 | |
| HOL2 | 8197 | 7.875 | | | |
| PROD | 8197 | 4.5 | 11.6 | 8197 | 11.459 |
| T1 | 6918 | 2.375 | | | |

Plug #7

$$\frac{100}{100} \times (1.15 \times 11.459) = 8.54$$

$$\frac{100}{100} \times (1.15 \times 3.017) = 2.954$$

$$37.54 \text{ total}$$

Propose 40 SK ✓

95/8" x 4 1/2" → 3-017

Cement from 2018 ft. to surface

Surface: 9.625 in. @ 2018 ft.

Hole: 12.25 in. @ 2018 ft.

Plug #6

$$12.5 \times 158 = 158'$$

✓

Cement Information

| String | BOC (ft sub) | TOC (ft sub) | Class | Sacks |
|--------|--------------|--------------|-------|-------|
| PROD | 8197 | 700 | PM | 300 |
| PROD | 8197 | 700 | PC | 860 |
| SURF | 2018 | 0 | G | 500 |

Plug #5

$$12.5 \times 158 = 158'$$

✓

Plug #4

$$12.5 \times 158 = 158'$$

✓

Perforation Information

| Top (ft sub) | Bottom (ft sub) | Shts/Ft | No Shts | Dt Squeeze |
|--------------|-----------------|---------|---------|------------|
| 6956 | 6960 | | | |
| 6716 | 6913 | | | |
| 7415 | 7980 | | | |

Plug #3

$$12.5 \times 158 = 158'$$

✓

Plug #2

$$(12.5 \times (1.15 \times 11.459)) = 158'$$

Formation Information

| Formation | Depth |
|-----------|-------|
| WSTC | 2737 |
| BMSW | 3100 |
| MVRD | 5026 |
| CSLGT | 7431 |
| MNCS | 7747 |
| BLKHK | 7894 |

TOC 6506'

Propose 6506'

Cement from 8197 ft. to 700 ft.

Tubing: 2.375 in. @ 6918 ft.

26913'

26956' spool

Production: 4.5 in. @ 8197 ft.

Hole: 7.875 in. @ 8197 ft.

Hole: Unknown

77980'

Plug #1

$$(4.5 \times (1.15 \times 11.459)) = 59.3'$$

TOC 7250' max

TD: 8200 TVD: 8200 PBD: 8153

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| 2. NAME OF OPERATOR: Mustang Fuel Corporation | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 9800 North Oklahoma Ave CITY OKC STATE OK ZIP 73114 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (405) 748-9261 | | 8. WELL NAME and NUMBER: Mustang #1320-30 |
| 4. LOCATION OF WELL | | 9. API NUMBER: 4304737294 |
| FOOTAGES AT SURFACE: 834' FSL, 2073' FEL | | 10. FIELD AND POOL, OR WILDCAT: Agency Draw |

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 3 13S 20E COUNTY: **Uintah**

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
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| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input checked="" type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/11/2013 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

10-8/11-2013

RU, blow down well, NU BOP's, blow down well, pump 30 bbls kill fluid, TOOH w/ 2 3/8" tbg (238 jts 7833'), RIH w/ 3.90" gauge ring to 7865', POOH, RIH w/ CIBP, set @ 7843', POOH, TIH w/ tbg, tag CIBP, mix & pump 48 sx Class "B" cmt fr/ 7843'-7193'; LD 36 jts tbg, TOOH w/ 202 jts in stds, TIH w/ 3.90" csg scraper, tag cmt @ 6060', attempt to work through, unsuccessful, test csg to 800# - test good, set balanced plug fr/ 6060'-5560', LD 30 jts tbg, pump plug #3 fr/ 5076'-4914', LD 58 jts, pump plug #4 fr/ 3150'-2609', LD 33 jts, pump plug #5 fr/ 2068'-1906', LD 145 jts, TOOH laying down 47 jts, RU WL, RIH & tag TOC @ 1916', PU to 100', shoot 3 1/8" holes, POOH, RU pump to csg, est circ, pump cmt to surf, RD rig floor, cut off csg, weld on P&A plate, RD all equip, prep to move to next location, well Plugged & Abandoned 10-11-13.

NAME (PLEASE PRINT)

Angelia M Duffy

TITLE

Operations Tech

SIGNATURE

DATE

6/20/2014

(This space for State use only)

RECEIVED
JUN 23 2014
DIV. OF OIL, GAS & MINING